App. F. IX-4

V

1940

PRESERVED

193

File No. 5 – 4

Previous References. (Legs)

Serial Nos. 1

Later References.

24--46-2

(157)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. One only

A

Part ~~I~~ for Aug '40

SUBJECT.

Petrol Sales Tax.

5691/D

General and Revenue Secretariat

File No. Petrol sales tax of 193

GEN. & REV. SECRE., 3489 31 MAR 193 FINANCIAL BRANCH

[App. F. III—2

Serial No.

1939 7119

1 The Dewan was pleased to say yesterday that we al may levy petrol sales tax as in Madras and some other British Indian provinces, and that the rate of tax may one anna per gallon.

2 If approved, the Development branch will be asked to take necessary further action immediately in consult tion with the Law section.

31.3.39

Excise section

MAR 31 1939 7883

First Member

Dewan

3 1/4/39

4 1-4-39 1.4.39

3/4/39

Dr Secy M/c xxx

5) Please work up with Madras bill when Central rules etc are also available & other points

3.4.39.

7 A copy of the Bill & the rules under the Act are put up. 6) Refer. Early 1/4

4/4/39 8 A Copy of the Act is not yet available.

9 The file relating to the petrol tax grant was obtained by the Development Secretary from the P.W.D. on 19/4/38

GEN. & REVENUE SECRETARIAT. 3 APR. 1939 DEVELOPMENT BRANCH.

OTE—Contn. Sheet.

WD 0544—GPB—30,000—2-9-83

Petrol Sales Tax 569

File No. of 193 General and Revenue Secretariat

for reference.

Bg. 4/4/39 10 The proceedings of the Select Committee relating to the Madras Act are not available. Dft letter to the Director of Information Bombay is subd in respect of the Bombay Bill.

Bg. 5/4/39

11 A certain difficulty in levying a sales tax on petrol in regard to the existence of the Bangalore Cantonment. Under the Myore Govt can persuade the cantonment authorities to levy a sales tax in that area, people in Bangalore city should running the cantonment can easily evade the tax by buying their requirements from there.

12 If the cantonment authorities can be persuaded, the State will certainly gain what extent. The consumption in the cantonment area is believed to be about 2,75,000 gallons the net additional income will be about 17,200

13 The total consumption in the State excluding the cantonment is about 23.00.000 gallons the revenue will be 1,43.750Rs

14 For orders.

Bg. 8/4

APR 8 1939

Serial No.

15 The Political Affairs committee before which this matter was placed at its last meeting, saw no objection to the levy of this tax at one anna or even 1 1/2 as. per gallon - provided the authorities of the C & M Stn joined in the arrangement. The Chief Secy was asked at the Council meeting to address the Resideney in the matter. The papers may be sent to the Chief Secy for necessary action

Dlee
2/4/29

SECRETARY. 11. APR. 1939 GOVT. OF MYSORE.

Chief Secy with compliments 16 CB. MK 11/4 MW 10.4.29 MK 10/4

17 Mr. Trevelyan has left for Mercara. I could not discuss the matter in person with him. Draft sent for approval & orders.
Dewan)
MK 11/4

18 Yes, this
I P.M. of Mysore & the Resident in Mysore should authorise this tax & the Co-operative with them. Details as to forms &c to be left to the parties concerned.
MK 11-4-29 MK 11/4

WD 0544—GPB—30,000—2-9-38

File No. of 193 .

General and Revenue Secretariat

To the Secretary to the Resident, D.O.No.3253/C.B. ;ed 12th April 39 intimating that the State propose to ry a tax on petrol, and enquiring if the C.& M. station s prepared to levy a similar tax.

From the Secretary to the Resident, No.F.50 dated 9th April 39 requests for a copy of the bill.

ıbd. As regards the levy of a similar tax on retail les of motor spirit in the C.& M.Station area, it is ated that a reply would be sent after obtaining the ders of the Political Department. In the meanwhile e Residency desires to know the legislative authority for the evy of the tax together with a copy of the Bill.

DEWAN'S OFFICE 3 MAY 1939 No. 8047

20 For remarks on the point raised by the Residency.

Fin. Secy with compts

MS 29/4

21 This aspect of the question has to be examined by our Law Deptt

29.4.39

22 For perusal of the Residency Communication. The legal aspect of the case will be Exd and Submitted.

For Member & Dewan

MS 1.5.39

FINANCIAL SECRETARIAT U.O.No.F.555 29. APR. 1939 BANGALORE.

23 MM 2/5/39

24 MS 3-5-39

MAY 1 1939 No. 8552

Addl. Secy with compts

MS 5/5

DEWAN'S OFFICE
9 MAY 1939
No. 8246

Serial No.

MAY 6 1939
8732

25 For imposing the Tax, a law will have to be enacted. A bill on the lines of the Madras Sales of Motor Spirit Taxation Bill may be drafted & placed before the next R.A if approved.
Draft letter to Residency Surgy.

Chief Sec[y] 26 For perusal before issue. CG 5/5/39

(for member) MMS 6.5.39

Dewan, NLM 7/5/39 MMS 8/5

28 I wish to discuss the question again with Govt. Members at Bangalore. Please put it up then.

MG 11-5-39 MMS 12/5

29 Revised draft letter to the Residency is submd.

CO 13/5 (for member) 30 MMS 20/5

31 May issue after submission of the papers again to the Dewan

NLM 22/5/39 MMS 22/5

Dewan)

From the Secretary to the Resident, No.F.50

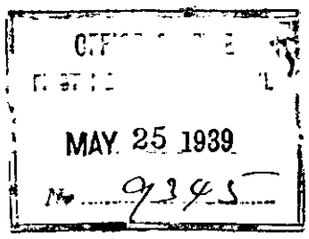
CHIEF SECRETARY
18 MAY 1939
GOVT. OF MYSORE.

OFFICE OF THE
COUNCIL
MAY 22 1939
920

DEWAN'S OFFICE
NOTE—Contn. Sheet.
8622

WD 0514—GPB—30,000—2-9-38

dated 24th May 39 stating that information of the means to be adopted to realise the sales tax is required before a decision can be reached about its imposition in the C.& M.Station.



2-Resubd. with a draft reply.

33 MRS
24.5.39

34 new
26/5/39
MRS
26/5

To the Secretary to the Resident, No.3691 dated 26th May 39 stating that the draft is under preparation on the lines of the Madras Act.

35 Action has to be taken te draft the Bill and rules.

36 A draft bill has been prepared & placed below. The rule will be framed after the bill is passed into law. The bill closely follows the Madras Act. The rate of tax is fixed at 0-1-0 per gallon subject to appeal. In Madras it is fixed at 0-1-6 per gallon. This is a Council matter. Forwarded.

Chief Secy)

10.6

Motor Spirit Sales Tax Bill.

General and Revenue Secretariat	File No.
Serial No.	

40
A Copy of the C.P. Act is not available. Even in the High Court a Copy is not available.

41
If approved the library will be asked to send a wire and get 2 Copies of the C.P. Act urgently.

Submitted for orders.

42 Yes BKR 1.7.39

6.39/43

To the Library for Compliance with the orders above. The Act is required urgently

44
1.7.39. Particulars Br. with Compliments:
Extracts Letter and file returned

Motor Spirits Sales Tax Bill.

File No. of 193

General and Revenue Secretariat.

Serial No.

45 A Copy of C.P. Act (and amendments) required from the Library today is put up.

46 Differences between the Madras Act & C.P. Act:-

1) Title. Madras Act - Confines only to Motor Spirit - Whereas C.P. Act, includes "Lubricants" also.

47 2) Definitions:- 'Motor Spirit' is defined in the C.P. Act in one way & in the Madras Act in another way.

48 "Importer" & "Whole-Sale dealers" are included in the Madras Act - not in the C.P. Act.

49 'Petrol' is specifically defined in the Madras Act & not in the C.P. Act:

50 3) Registration - Registering authority is mentioned in the C.P. Act - (Sec 5) - but not mentioned in the ~~C.P. Act~~ Madras Act (Sec 4)

51 4) Accounts &c - In the Madras Act (Sec 5) mention is made about accounts & Submission of Returns, but not so in the C.P. Act.

52 (5) Rates & early & Exposed :- In the Draft Bill Sec 9(2) is omitted.

53 (6) In the Madras Act - Sec 4 (6) relates to the suspension or cancellation of Registration certificate but no reason is given, but in Sec 8 Specific reasons are given.

54 (7) In C.P. Act provision is made for improper Search or arrest (Sec 18) but none is in such provision in the Madras Act.

Confidential Branch. 5364

37 Ans'd. The chief Secretary wanted the draft Bill to be sent to the Law Secy. for perusal & returning. It approved, the file will be sent to him
GJ
14/6

38 Yes. Enc
MK
14/6

GJ 14/6

39 Please put up, if available, a copy of C.P Act
BKR 15.6
BKR 15.6

Motor Spirits Sales Tax Act

C... E
...SIL
JUL 24 1939
No. 790

Serial No.

5. The clauses and forms show the main differences between the Acts. Our Bill is modelled on C Provinces Act.

Law Secretary 3/11/7

6/11/7

5b The Bill has been drafted on the lines of the Madras Sales of Motor Spirit Taxation.

5c 1) In the Madras Act only petrol & mineral combustion oils are taxable, while in the C.P. motor lubricants also are taxable

5c 2). In both Acts, it is the retail sale that taxed — 1½ annas per gallon in Madras, 5% in C.P

5c 3). In the C.P Act, the wholesale dealer does not come in. But in Madras, there is provision to levy the tax from the wholesale dealer by agreement in advance & in such case, no further tax is levied in the retail sale of such motor spirit

6a The other provisions are details of procedure etc & are more or less similar in both Acts.

We may adopt the Madras Act.

1st Member 6/7/7

6/ Rule 3/24/7

25/7/39

6 25/7 3/25/7

WD 0544—GPB—30,000—2-9-38

Madras Spirits Sales Tax Act

C... ...E
...ST ... ...SECRETARIAT
JUL 24 1939
No. 790

Serial No.

55. The above and points show the main differences between the Acts. Our Bill is modelled on Chandra Act.

Law Secretary! 3/11/7

266/11/7

56 The Bill has been drafted on the lines of the Madras Sales of Motor Spirit Taxation Act.

57 1) In the Madras Act only petrol & internal combustion oils are taxable, while in the C.P. Act motor lubricants also are taxable

58 2). In both Acts, it is the retail sale that is taxed - 1½ annas per gallon in Madras, 5% in C.P.

59 3). In the C.P Act, the wholesale dealer does not come in. But in Madras, there is provision to levy the tax from the wholesale dealer by agreement in advance & in such a case, no further tax is levied for the retail sale of such motor spirit

60 The other provisions are details of procedure etc & are more or less similar in both Acts.

We may adopt the Madras Act

1st Member 6/7/7

61 Rule 3/24/7

25/7/39

6 25/7 3/25/7

WD 0544—GPB—30,000—2-9-38

Motor spirits sales Tax Bill

File No. of 193

General and Revenue Secretariat

When the suggestion for levying tax on Petrol sales in Mysore was first made, it was felt that the Cooperation of the Cantonment authorities in levying a similar tax in Cantonment was necessary to make any action of ours successful (paras 11 to 18 of the notes). When the Residency were approached, they replied that orders of the Political department were necessary and wanted in the meanwhile a copy of any bill we Proposed to introduce here.

No final reply has yet been received from the Residency Submitted for orders if a copy of the draft Bill may be sent as promised in our letter of the 26th May X and the views of the C & M Station authorities or of the political department if obtained, again requested

Draft is suggested.

Law Secretary 4/8

Yes. A copy of draft will

Secretary

Issued No. 20 P 702 dated 5.8.1939 to the Residency together with a copy of draft Bill.

Flag X

SECY. LAW DEPT. 800 4 AUG. 1939 GOVT O. MYSORE

Sales Tax on Motor Spirits &c

General and Revenue Secretariat. | File No. | of 19 | [App. F. III-2

Serial No.

SEP 29 1939
3.0.2

From

The Secretary to the Govt. Resident in Mysore

Confidential D.O. no Pol 50 / 39 dated 27.9.39

State the Political Department have no objection to the introduction of legislation in the C & M States.

It was felt when a levy of tax on retail sales of petrol ~~should be~~ in the State was under consideration, that legislation in the State would not be effective unless the C & M States automatically cooperated by enacting similar legislation.

The Residency have now replied that the political Department have no objection to adopt the Cmte suggested.

If approved, the ~~Bill~~ may general principles of the Bill may be placed before the R.A. at the ensuing Dasara session - introduced in the Leg Council.

The Residency ~~suggest~~ desire it will be wise to arrange that the two Acts are brought into force on the same day. If the Bill is passed in the Leg at the sitting this will be perhaps sometime in January 1940

Submit for orders if a reply on the above lines may be sent to the Residency.

A draft Statement of general principles and a D.O. are put up.

Submit for orders if the Statement of general principles in anticipation may be sent to the R.A. ~~pending~~ sanction of the Legislature

Sd
29/9/39.

The Bill may be placed before the R.A. Statement of general principles may be approved

(1st Member Dewan) 29-9-39
2nd Member) 29/9

Sd 29/9/39 29/9/39 30.9

DEWAN'S OFFICE
29 SEPT 1939
No. D.2.3.7

OFFICE OF THE SECOND MEMBER OF COUNCIL
30 SEPT. 1939
No. 2673

NOTE--Contn. Sheet

~~Factor~~ Sales / Under Spirit Taxation Bill.

File No. of 19

General and Revenue Secretariat.

Serial No.

OCT 2 1939

3097

2670

A D.F.N. is put up for order.

~~Done~~
30.9.39

1st Member)

Signed F.N. is Kept in file.

Submitted with D.F.N

Deputy)

3/10/39

3/10/39.

3/10/39.

Final Note by the First Member of Council.

Subject.—

Promulgation into law of the Mysore Sales of Motor Spirit Taxation Bill.

Government have been considering for some time a levy of a tax on all retail sales of motor spirit in the State. A Bill on the lines of the corresponding Madras Act of 1939 was got prepared. But it was felt that unless a similar tax was levied in the Civil and Military Station area, legislation in the State would not be very effective. As a result of correspondence with the Residency on this matter, it is now ascertained that the Political Department have no objection to the introduction of a similar law into the Civil and Military Station.

It is, therefore, proposed to place the General Principles of the Bill before the Representative Assembly at its ensuing Dasara Session and to introduce the Bill itself in the Legislative Council thereafter. The Dewan and the Second Member of Council are agreeable to this proposal.

Under the Bill a tax at the rate of one anna per gallon is payable on all retail sales of motor spirit. And provision made for the registration of dealers and retail dealers, submission of monthly returns and other ancillary matters.

The gracious sanction of His Highness is solicited for the introduction of this measure.

N. Madhava Rau

MEMBER OF COUNCIL.

Bangalore,
2nd October 1939.

Submitted to His Highness.

I submit herewith a Final Note by the First *Member of Council on the subject of* the promulgation into law of the Mysore sales of Motor Spirit Taxation Bill

for His Highness' gracious approval.

Mirza M. Ismail

Dewan.

Bangalore,
3rd October 1939.

Record of Cases submitted for the Orders of

His Highness the Maharaja.

Subject.

Promulgation into law of the Mysore Sales of Motor Spirit Taxation Bill.

Chief J :
M.
3.10.39

No. 217

Order.

~~KRW~~
4/10/39

H·H·217

General and Revenue
Secretariat.

SUBJECT :—

Promulgation into Law of the Mysore Sales of Motor Spirit Taxation Bill

(*)

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Headquarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness' orders before/after issue of orders. (*Vide* Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

Chief Secretary to Government.

Through the Secretary to Government,

..P.....Department.

G

3497
7·10·39

FIRST MEMBER OF COUNCIL.

7/10/39

3005
9·10·39

SECOND MEMBER OF COUNCIL.

M.C 10/10

Law Secy with Compliments)

10/10

G 10/10

NOTE.—Contn. sheet

WD 0579—GPB—375—20-12-38

L 541/P

Motor Spirits Sales Tax Act.

General and Revenue Secretariat. | File No. | of 19 | [App. F. III-2

Serial No.

From:

The Secretary to the Hon'ble the Resident

Confidential D.O. No. Pol 50 of 39 dt 2.10.39

enquires what amendments are proposed to be made in the draft Bill and suggests that it would be better that the C & M Sts measure taken up after one Bill is passed into law.

The main file has been noted for obtaining His Highness sanction to place Bill before the R.A. Shd.

From the P.U.S. it appears that the Burmah Shell Co have some suggestions to offer in regard to the Bill.

Subs for orders whether the proposed suggestions may be awaited.

It is also suggested that the C & M Sts may take up consideration of the measure after one Bill passed into law.

If the Bill is not going to be referred to a Select Committee or if the Select Committee are asked to report to the session Council which rises it, the Bill may perhaps become law in January 1940 immediately after the next L.C. session concludes. Afterwards the measure will have to be taken up & passed into law in the C & M States and then the date appointed when both the Acts come into force.

Law Secretary) 3/10/39

Subs for orders.

5.10.39

A reply may be sent that the statement of general principles of the Bill will be placed before the ensuing R.A & before the next L.C is passed at that session.

G by 10 3/10 GW

A draft DO to the Residency is put up

For approval.

7.10.39

Law Secretary) 3/10/39

Issued DO (Pol 520 dated 9.10.39 9/10 to the Residency

SECY LAW DEPT 5 OCT 1939 GOVT OF MYSORE

MGG DEPT MYSORE

NOTE-Contn. Sheet.

General and Revenue Secretariat

Serial No.

OCT 18 1939
No. 3772

As the Bill, the file is sent to Legislative Secy (Mr Fenton)

15/17 (Tamil)

Dewan Bahadur's view would rush it through the Legislature"

16.10.39

The Assembly accepted the bill with the above assurance

17.10.39

(Mr Fenton Secy R-A)

18/10

19/10/39

19.10.39

May the file be referred to Prof Br (Legis) for further action

19/10

(Prof Br)

yes 20/10

The Financial Principles of the Bill were accepted

Submitted for orders if the Bill may be put thro' the Rules of Business.

Some suggestions have been offered by the Burmah Shell Company

NOTE—Contn. Sheet.

WD 01536—GPB—7,500—5-4-39

Motor Spirits Sales Tax (Amdt.)

File No. of 193 . | General and Revenue Secretariat

[illegible] Memorandum. I do not think it is proper for a Select Committee to [illegible] matters to be considered by it. Submit for orders.

[illegible] Statement of general principles which he adopted & attached to the Motor Spirits Bill.

Law Secretary) 3
27/11/39

26.11.39

SECY. LAW DEPT.
-27 NOV. 1939
GOVT OF MYSORE

Sales of Motor Spirit Taxation Bill

The Burma-Shell Company have sent a criticism of the Madras Sales of Motor Spirit Taxation Act for consideration by us while framing our bill.

(1) The Madras Act includes in the definition of "motor spirit" diesel oil also. The Bombay, the Central Provinces and other Acts do not include this but the definition is restricted to petrol only. The criticism of the Burma-Shell Company is that taxation on diesel oil would bear hardly on owners of rice mills, pumping sets, ginning factories, etc., who all form part of the Agricultural system. Their representative also stated that the quantity of diesel oil consumed in Mysore is not very much. However, we may take the power to tax diesel oil also and in case the Government considers that the tax need not be levied, they need not notify the provision taxing it under clause 3.

In clause 1, power is taken to notify all or any of the provisions of the Act to come into force from such date as may be specified in the notification.

(2) The tax proposed in the bill is one anna per gallon, as in Bombay.

(3) It is stated that clause 3(2) relating to taxing the wholesale dealer or importer is unnecessary and is complicated as wholesale dealers do not agree to pay the tax in advance. This is only a permissive provision in case the wholesaler agrees, and it may

Petrol Rules Tax Bill

3952/39
P

General and Revenue Secretariat. | File No. D-989/RA of 19 | [A pp. F. III-2

Serial No.

The Memorandum of the Burmah Shell Co mentions Acts now in force in Madras one, viz.

1. Bombay
2. Punjab
3. Bihar
4. U.P. and
5. C.P. & Berar.

Of these the C.P. & Berar Act, the Bihar Act and the Punjab Bill are available in the Legislature.

If approved the Library will be asked to get urgently the Bombay, Punjab and U.P. Acts on the subject with Rules. These could be obtained

3
4/12/39

4.12.39

To the Library:

To take an extract of the above and return the file soon. The Acts are required urgently.

4.12.39

Extract taken & file returned

5/12 To be seen

Nine copies of Bill and one copy of Statement of Objects and Reasons.

11.12.39

Copies taken & file returned.

12.12.39. Protection Branch)

12/12/39.

Matter kept standing in suspense

NOTE-Contn. Sheet.

Petrol Duty Tax Bill 345/1 254-

File No. of 19 General and Revenue Secretariat.

Serial No.

A draft to the Residency forwarding the memorandum of the Borneo Shell Co and the note thereon is put up as ordered by the 1st Member. Copies of the Bill have already been sent to them and after Printed Copies with the Corrections made are received, some more Copies will be sent.

Submitted

Sd
11.12.39

G
9/12

Issued vide no Pol 899. dated 21.12.1939 to the Secretary to the Hon'ble the Resident.

The following Motions are suggested for inclusion in the Agenda of the LC

1. Motion that the Bill published under rule 8 of the Rules of Business be read in Council.

Move 1st Member.

Second Financial Secretary

2. Motion that the Bill be referred to a Select Committee.

Move: 1st Member

Second: Financial Secretary

Law Secretary) 3 6/1

Fin Sec
1st Member) G 6/1/40

MM 6/1/40 3 6/1

DG. 1 8/1

GEN. & REV. SECRETARIAT
JAN. 1940
2542
BRANCH.

OFFICE
FIRST [illegible]
JAN 6 1940
No 6447

SECY LAW DEPT
MYSORE

3 8.1.40

3 6/1

Serial No.

To Leg. Sec.

In ~~publication~~ drafting the motions for inclusion in the Agenda & returning the file.

Sd/-
20.1.40.

Noted & returned.

Sd/-
19/1/40 Protection Branch)

Sd/-
10/1/40

The Bill was introduced in the Legislative Council on the 22nd January 1940 and was referred by it to a Select Committee.

To Leg Sec to kindly note the names of the members for Select Committee

Sd/-
29.1.40.
DPN

To Law & Order Office

Sd/-
29/1

COUNCIL.

Mr S.G.N
29/1

The names of the S. C. members as read out at the meeting are :

Mr. Abdul Wazid.
" A. V. Ramanathan
" C. Noronha
" M. C. Lingegowda.
" B. R. Puthiananjappa
" Mahomed Abdus Khan
" Narayanaswamy Rao.
" H. Linggappa

Mr. A. N. Raghavachar's name is to be included in the list handed down by the Official Member. (First Member of Council - Chairman),

Sd/-
30/1/40 Prot. Br)

Sd/-
30/1/40.

NOTE-Contn. Sheet.

Petrol Sales Tax Bill.

File No. 3952 of 19

General and Revenue Secretariat.

Serial No.

The Bill has been referred to a Select Committee. The First Member is the Chairman

Submitted for orders as to the date for which the meeting of the Select Committee may be fixed.

13.2.40.

Secretary) 13/4

1st Member) 14/4

Some time in April

14/2/40

15/4

A report has appeared in todays papers that the Coorg Legislative Council passed on the 14th, a Bill to impose a levy on retail sales of Motor Spirit.

It appeared two copies of the Bill might be got from the Residency for reference in connection with our Bill. Submitted for orders with a draft to the Residency

18.3.40

Issue 18/3

Issued Pol 125 2 dated 18.3.40 to the Residency

FEB 14 1940 No. 2812

Relief Debs Tax Bill

General and Revenue Secretariat | File No. | of 194 | [App. F. III–2

Serial No.

From

The Spl. Offr [illegible] Residency

Confidential D.O. Pol 50 of 39 d 29 march 1940.

requesting to be informed at what Stge the Bill is at present.

The bill has been referred to a Selget Committee which will meet this month and the Bill is likely to be finally passed in the L.C. ~~in June~~ at its next Session

Submitted with a draft reply.

~~Sme~~ 1.4.40.

JKNN 1/4

Law Secy)
I Member)

Hm 2/4. JKNN 2/4

NLL 3/4/40

Hm 3/4. JKNN 3/4

Issues D.O. P6585 dated 3.3.40 to Captain Off Persian Residency

Reference is invited to the Members instructions on the herein page that the Bill may be put up sometime in April to fix a date for the meeting of the Select Committee.

Submitted for orders when the Select Committee may be asked to meet to consider the Bill.

~~Sme~~ 6/4/40.

JKNN 6/4

Law Secy)
I Member)

Hm 8/4 JKNN 9/4

Saturday 27th April at 2 P.m

NLL 10/4/40

Hm

From the Secretary to the Hon'ble Resident D.O. No. 234-40/Pol dated 5.4.40 sends Covg Bill.

APR 2 1940 9099

6804 2/4

OFFICE OF THE PRIVY COUNCIL APR 10 1940 9297

6932 6/4

NOTE—Contn. Sheet.

Petrol sales Tax Bill.

File No. of 194

General and Revenue Secretariat.

Serial No.

Draft Order to the Members for the meeting on the 27th is submitted

Issue
MKV
15/4

Issue
15/4/40.

2.0 PM on 2

Issued O.M. no. P6765-73 dt 15.4.40.

The Select Committee meeting is fixed for the 27th at 2 p.m. The file is submitted for perusal with a short note on some of the clauses of the Bill.

OFFICE OF THE
FINANCE MEMBER OF GOA
APR 26 1940
No. 9924

Issue
15/4/40

I Member)

Hm
26/4

The Select Committee met on the 27th April 1940 at 2 p.m. All the Members except Mr. M.C. Diniz (who had written that he could not attend) were present. The Bill was fully discussed and some minor amendments were made. Clause 28 was ordered to be deleted.

The Member was pleased to order that before the report of the Select Committee was drawn up, information on 2 points may be called for.

1. Whether petrol consumed by a wholesale dealer or importer was liable to tax under the Bill.

2. Whether the period of 6 months set out as the limitation for actions against frost arrears in Cl 23 excluded the period spent in obtaining orders of frost under Clause 22.

Submitted for orders whether information on these 2 points may be called for from the Madras Govt. Mines Department Residency before drafting the report

(Asst Secretary) 3/30/4

Hm
2/5/40

3
3/5

Issue
30.4.40.

7449
30/4

Information may be called for as directed in A. 3/30/4

Petroleum Tax Bill. 6600 /8

General and Revenue Secretariat | File No. of 194 . | [App. F. III–2

Serial No.

A draft to the Residency is submitted for orders.

Sd/ 2/5/40

For approval

JMW 3/5

(Sd) Dave Seely

Hm 2 3/5

JMW 3/5

7427 8/5

Issued Pol 1453 dated 4.5.40 to the Residency

The last date for publication of the Select Committee report (without bills) is the 30th May. Some time will be taken in circulating the report and obtaining the approval of the members to the report which has also to be drafted. In the circumstances, a draft reminder to the Residency is put up for orders.

Sd 17/5

Hm 21/5

Issued Pol 1516 dated 17th May 1940 to the Residency

Since the S.C. report has to be published by the 30th instant, time will not be sufficient time to circulate it before publication if it is delayed any longer on account of waiting for the information requested by the Residency.

A draft report of the Sc. is submitted and orders as to approval be sent to the members for approval.

Sd 21.5.40

(Sd) [illegible] (I Members)

JMW 21/5

Please bring up in person

JMW 22/5/40

Hm 2 23/5

JMW 23/5

JMW 27/5/40

TYPING SECTION 3 - MAY 1940 GEN. & REV. SECTT.

OFFICE OF THE FIRST [illegible] OF COUNCIL MAY 21 1940 No. 10 & 63

NOTE—Contn. Sheet.

6638

P Income-tax Super Profits Duty Taxation Bill.

File No. of 194 .

General and Revenue Secretariat.

Serial No.

Draft D.O. to the Member-in-Charge Select Committee enclosing copies of the report for approval is submitted.

Issue
JKMM 28/5

Yes

Draft D.O. P 75 31-8 dated 27.5.40 to the Members for approval of all the Members except that of ~~Sir S. Bhoja~~ Dr. B.R. Pattabhi Sitaramayya have been received. The report will, if approved be sent to the L.C. Office for publication with a note that the approval of the Members will be notified on receipt of the last date of publication expires on the 30th May.

The L.C. Office is requested if approval be accorded to have the report published in a Gazette Extraordinary along with the 3 Bills so far received from the Administrative Branches and sent over there for publication.

DM
30.5.40

Yes
JKMM 31/5

L.C. Office

With 3 copies of the report to take action as indicated in the note above.

DM
31.5.40

3 copies taken & the file returned

JAS
31.5.40

Protection Branch)

OFFICE OF THE SECRE
5 p.m.
31 MAY 1940
REPRESENTATIVE AC
LEGI.

Select Ctee Tax Bill.

General and Revenue Secretariat	File No.	of 194	[App. F. III–2

Serial No.

From

The Secretary to the Madras Legislative Assembly

D.O. No. 50-39/Just. dated 3rd June 1940

Forwards copy of Madras Govt. letter giving the information requested therein.

Information was requested on two points,

(1) whether consumption of petrol by a wholesale dealer is subject to tax under the Act. The reply by the Madras Government is that it is not subject to tax as only retail sales are subject to tax under the Act.

(2) whether the period of six months specified in section 23 (limitation for actions) includes or excludes the time taken to obtain sanction of Government under section 22. It is stated that the period is not excluded and the period of six months under 23 runs from the date of the act complained of.

Submitted for orders whether the Bill as amended by the Select Committee may be placed before the L.C. for being passed or whether the Bill has to be amended so that consumption by a wholesale dealer has also to be made subject to the tax and so that the period of six months under section 23 may be made to exclude the time taken to obtain sanction of Government under 22. In regard to the first, it may be stated xxx that a wholesale dealer cannot run a public conveyance service at all so that consumption will be only for personal purposes.

JUN 11 1940
No. 11830

NOTE—Contn. Sheet.

10.6.40.

The Bill as amended by the Select Committee may be placed before the L.C.

I Members. 12/6/40 11/6 13/6/40 13/6

Child Marriage Bill.

File No. of 194 General and Revenue Secretariat.

Serial No.

FINANCIAL
JUN 13 1940
No. 1156

From

B.P. Pattamanjappa. Member Select Committee

letter dated 7th June 1940

sends report of S.C. with a note.

~~The~~ ~~he~~ The member in his note states that the ~~time~~ riod of six months specified in clause 23 should exclude e time taken for obtaining sanction of Government under ause 22. This was one of the points on which the opinion the Madras Government was requested and it is found from e reply received that there is no such exclusion in Madras der tneir Act.

Submitted for orders if the Note may be sent to the ..C.Office for being published in the Gazette.

13/6/40

~~Yes~~ This may be published in the Gazettee

JRW 13/6

I Member)

JRW 13/6/40

Hm 14/6 JRW 18/6

[illegible] copies of the note.

3 Copies taken & file returned.

BVN. 19-6-40. (Protection Branch)

Chief Orly Pay Bill

General and Revenue Secretariat	File No.	of 194	[App. F. III–2.

Serial No.	
	The report of the Select Committee and the Bill as amended by it were placed before the LC, on the 24th June 1940 and Bill as amended was finally passed.
207	A D.F.N. is submitted for order.
	Dte 3/7/40 — MMW 4/7
	(Law Secy)
	D. F. N. submitted
	(I Member) — Hm 2 4/7/40
	Signed F.N. is kept in file. — MMW 4/7
	666/7
	S. N. submitted
	(Dewan) — Hm

OFFICE OF THE FINANCIAL SECRETARY
FIRST BRANCH OF C. SECRETARIAT
JUL 4 1940
No. 207

NOTE—Contn. Sheet

Final Note by the First Member of Council.

Subject.—

Promulgation into law of the Mysore Sales of Motor Spiri Taxation Bill.

On 4th October 1939, gracious sanction of His Highness w accorded to introduce the Mysore Sales of Motor Spirit Taxation Bill in the Representative Assembly and the Legislative Council The general principles of the Bill were placed before the Assem in October 1939 and approved by the House. The Bill itself was thereafter introduced in the Council in January 1940 and was re ferred by it to a Select Committee. The Select Committee met i April and made some minor changes in the Bill. The report of t Select Committee and the Bill as amended by them were placed be fore the Legislative Council on the 24th June 1940 and accepted by it.

I solicit the gracious assent of His Highness to promulga the Bill into law.

N. Madhava Rau

MEMBER OF COUNCIL.

Bangalore,
5th July 1940.

Submitted to His Highness.

I submit herewith a Final Note by the First
Member of Council on the subject of promulgating into law
the Mysore Sales of Motor Spirit Taxation Bill

.....

for His Highness' gracious approval.

Mirza M. Ismail

Bangalore,
8th July 1940.

Dewan.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Promulgation into law of the Mysore Sales of Motor Spirit Taxation Bill.

Chief Secy
No
12-7-40

No. 19

Order.

~~KRM~~
9/7/40.

7942

General and Revenue Secretariat.

N. S. 9.

SUBJECT:—

Promulgation into Law of the Ryots Sale of Motor Spirit Taxation Bill

(*)

31. All urgent or confidential files returned with His Highness' orders may, in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Headquarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness' orders before/after issue of orders. (*Vide* *Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

Chief Secretary to Government.

Through the Secretary to Government,

Law .....Department.

515
12-7-40

FIRST MEMBER OF COUNCIL.

572
13-7-40

SECOND MEMBER OF COUNCIL.

14-7-40

Law Secy. with compliments.

15-7-40

NOTE.—Contn. sheet

WD 04642—GPB—500—23-10-39

16/7/40

Rubber Sales Tax Act

General and Revenue Secretariat — File No. 5 — of 1940. — [App. F. III-2

Serial No.	
	The previous assent of His Highness was accorded on 4th July 1940 to promulgate the Bill into Law. Submitted with a draft G.O. directing publication of the Act as Act XX of 1940
	17/7/40.
	May be approved. MRV 17/7
	Law-Secy.
	17/7 Issue MRV 18/7

LAW DEPT. 17 JULY 1940 GOVT OF MYSORE

Govt G.O. No P 452 - Leg 5-40-1 dated 19.7.40 directing publication of the Act as Act XX of 1940.

NOTIFICATION.

No. 3351—*L. C., Bangalore,*
dated 14th December 1939.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Mysore Sales of Motor Spirit Taxation Bill is published for general information with the statement of objects and reasons.

By Order,

C. SUBRAHMANYA AIYER,
Secretary,
Mysore Legislative Council.

MYSORE SALES OF MOTOR SPIRIT TAXATION BILL.

A Bill to provide for the levy of a tax on retail sales of Motor Spirit in Mysore.

WHEREAS it is expedient to provide for the levy of a tax on retail sales of motor spirit in Mysore;

It is hereby enacted as follows:—

1. (i) This Act may be called the Mysore Sales of Motor Spirit Taxation Act, 19

(ii) It extends to the whole of Mysore.

(iii) This section shall come into force at once. The Government may, by notification in the official Gazette, apply all or any of the other provisions of this Act from such date as may be specified in the notification.

2. In this Act, unless there is anything repugnant in the subject or context—

(a) "Government Treasury" means the State Huzur Treasury, Bangalore, or any District or Taluk Treasury of the Government;

(b) "importer" means any person who imports motor spirit into Mysore;

(c) "motor spirit" means any substance which by itself or in admixture with other substances is ordinarily used directly or indirectly to provide reasonably efficient fuel for automotive or stationary internal combustion engines, and includes petrol, diesel oil and other internal combustion oils, but does not include kerosene, furnace oil, coal or charcoal;

(d) "petrol" means dangerous petroleum as defined in the Petroleum Act, 1923;

(e) "prescribed" means prescribed by rules made under this Act;

(f) "retail dealer" means any person who sells or keeps for sale motor spirit for the purposes of consumption by the person by whom or on whose behalf it is or may be purchased;

(g) "retail sale" means a sale of motor spirit by a retail dealer for the purpose of consumption by the person by whom or on whose behalf it is or may be purchased, and the expression "sell in retail" shall be construed accordingly; and

(h) "wholesale dealer" means any person who sells motor spirit, or keeps motor spirit for sale, to dealers in such spirit, for the purpose of trade.

Explanation.—A sale of motor spirit by a co-operative society or a club, a firm or any association to one of its members for consumption is a retail sale within the meaning of clause (*g*).

3. (i) Subject to the provisions of this Act, there shall be levied on all retail sales of motor spirit effected after the commencement of this Act, a tax,

in the case of petrol,—at the rate of one anna per gallon, and

in the case of any motor spirit other than petrol—at the rate of six pies per gallon;

and such tax shall be payable by the person effecting the sale:

Provided that the Government may, from time to time by notification in the official Gazette, fix any other rate at which the tax shall be payable.

(ii) Where any retail dealers obtain their supplies of motor spirit from an importer or a wholesale dealer, it shall be open to the Government, by agreement with the importer or wholesale dealer, to levy from him in advance the tax which may be payable by the retail dealers under sub-section (i) on the sale by them of the motor spirit and the provisions of this Act relating to the assessment and recovery of tax shall, subject to such conditions as may be agreed upon, apply to the importer or wholesale dealer accordingly.

(iii) No tax shall be levied under this Act on the sale of any motor spirit in respect of which such tax has already been paid.

4. (i) No person shall, after the commencement of this Act, carry on business in motor spirit as an importer or as a wholesale or retail dealer at any place in Mysore unless he has been registered as such under this Act:

Provided that persons carrying on business at the commencement of this Act shall be allowed two months from such commencement to get themselves registered under this Act.

Explanation.—Where a person has more than one place of business, whether in the same town or village or in different towns and villages, he shall get himself registered separately in respect of each such place of business.

(ii) (*a*) No importer or wholesale dealer shall, unless also registered as a retail dealer under this Act, sell motor spirit for consumption or sale in Mysore to any person other than an importer or a wholesale dealer or a retail dealer, registered as such under this Act.

(*b*) No retail dealer shall use or transfer for consumption any motor spirit stocked by him without its being included in his accounts and in the next return of retail sales submitted by him under section 5 (*b*).

(iii) Application for registration as an importer or a wholesale dealer or a retail dealer under this Act shall be made in such form and to such authority as may be prescribed.

(iv) Registration may be made subject to such conditions if any, as may be prescribed, including in the case of an applicant for registration as a retail dealer, the making of such deposit or the furnishing of such security as the registering authority may consider necessary to

ensure the due payment of the tax, which may from time to time be payable by him.

(v) No person including a company or firm registered as an importer, a wholesale dealer or a retail dealer, shall carry on the business of public transport requiring the use of motor spirit.

(vi) Any registration under sub-section (i) may be suspended or cancelled by such authority, for such reasons and in such manner, as may be prescribed.

5. Every retail dealer in motor spirit shall in respect of each place where he carries on business—

(*a*) keep books of account in the prescribed form; and

(*b*) submit every month to the Deputy Commissioner and to such other officers as may be prescribed, a return in the prescribed form and before the prescribed date, showing—

(i) the quantity of motor spirit received by him during the preceding month;

(ii) the quantity sold by him during such month; and

(iii) such other particulars as may be prescribed.

6. Along with the return referred to in clause (*b*) of section 5, the retail dealer shall furnish a receipt from a Government Treasury for the amount of the tax due in respect of the motor spirit sold by him in retail during the preceding month, according to the return.

7. (i) If no return is submitted by a retail dealer under clause (*b*) of section 5 in respect of any month before the date prescribed in that behalf, or if the return is submitted without a receipt for the full amount of the tax due as required under section 6, or if the return submitted appears to the Deputy Commissioner to be incorrect or incomplete, the Deputy Commissioner shall, after making such inquiry as he considers necessary, determine the amount of the tax due from such retail dealer in respect of such month and the amount so determined less the sum, if any, already paid by him shall be paid by the retail dealer into a Government Treasury within fourteen days after demand is made therefor:

Provided that before taking action under this sub-section, the retail dealer shall be given a reasonable opportunity of proving the correctness and completeness of his return.

(ii) In default of payment within the period aforesaid, the amount of tax due shall be recovered from the person from whom the tax is due as if it were an arrear of land revenue.

Bihar 4
Bom Act 24
Punjab 4
C P 4
U P 4

8. Every importer or wholesale dealer, shall—

Bom Act 10

(*a*) keep books of account in the prescribed form, and

(*b*) submit every month to the Deputy Commissioner and to such other officers as may be prescribed, a return in the prescribed form and before the prescribed date, showing—

(i) the quantity of motor spirit received by him in the preceding month,

(ii) the quantities of motor spirit supplied by him during such month to other importers, wholesale dealers or retail dealers, specifying the name and address of each importer, wholesale dealer or retail dealer, the quantities supplied by him, and the dates on which the supplies were made, and

(iii) such other particulars as may be prescribed.

9. (1) All accounts and vouchers relating to stocks, purchases, sales and deliveries of motor spirit kept by importers, wholesale dealers and retail dealers and the stocks of motor spirit with them shall be open to inspection by such officers as the Government may authorise in that behalf.

Bom Act 12

(2) Any such officer shall have power to enter and search any building, vehicle or place where any importer, wholesale dealer or retail dealer carries on business or keeps any stock of motor spirit.

Bom Act 14
U P 12

10. Any person who—

(*a*) carries on business in motor spirit as an importer, a wholesale dealer or a retail dealer at any place without getting himself registered as required by sub-section (i) of section 4 or when his registration in respect of such place is not in force, or

Bom Act 9 (2000 and 100
Punjab 10
C P 7
U P 7
Bihar 10

(*b*) fails to keep books of account as required by clause (*a*) of section 5 or of section 8 or

(*c*) fails to submit any return as required by clause (*b*) of section 5 or of section 8 on or before the prescribed date, or submits an incorrect or incomplete return or fails to submit a receipt for the full amount of the tax due as required by section 6, or

(*d*) fails to pay the tax due from him within the time allowed, or

(*e*) fraudulently evades the payment of any tax due under this Act, or

(*f*) acts in contravention of any of the provisions of this Act,

shall, on conviction by a Magistrate of the First Class, be liable to a fine which may extend to one thousand rupees and where the breach is a continuing one, to a further fine which may extend to fifty rupees for every day after the first during which the breach continues.

11. The motor spirit in respect of which an offence against this Act is committed and any receptacle in which such spirit is contained shall be liable to confiscation.

12. (i) When in any case tried by a Magistrate, the Magistrate decides that any thing is liable to confiscation under section 11, he may, after hearing the person, if any, claiming any right thereto and the evidence, if any, which he produces in support of his claim, order confiscation or may give the owner an option to pay such fine as the Magistrate deems fit in lieu of confiscation.

(ii) When an offence against this Act has been committed but the offender is not known, or cannot be found, or when anything liable to confiscation under this Act and not in the possession of any person cannot be satisfactorily accounted for, the case shall be enquired into and determined by the prescribed officer who may order such confiscation :

Provided that no such order shall be made until the expiration of one month from the date of seizure of the things intended to be confiscated or without hearing the persons, if any, claiming any right thereto, and the evidence, if any, which they produce in support of their claims.

13. (i) Any officer of the Government specially empowered by them in this behalf may issue a warrant for the arrest of any person whom he has reason to believe to have committed an offence against this Act.

(ii) All warrants issued under this section shall be executed in accordance with the provisions of the Code of Criminal Procedure, 1904, by a Police Officer, or if the officer issuing the warrant deems fit, by any other person.

14. Any officer of the Government specially empowered by them in this behalf may—

(*a*) enter and search any building, ~~vessel,~~ vehicle or place in which he has reason to believe that any motor spirit liable to confiscation under this Act is kept or concealed;

(*b*) seize any motor spirit and any receptacle which he has reason to believe to be liable to confiscation under this Act; and

(*c*) detain, search and arrest any person whom he has reason to believe to be guilty of any offence against this Act.

15. The provisions of section 61 of the Code of Criminal Procedure, 1904, shall apply to all arrests without warrant made under ~~section 14~~ the last preceding section.

16. Every officer employed by the Government or by any local authority shall be bound to give immediate information at the nearest police station or, if so required by any general or special order issued by the Government, to the nearest Excise Officer of rank not below that of a sub-inspector, of all breaches of any of the provisions of this Act which may come to his knowledge; and all such officers shall be bound to take all reasonable measures in their power to prevent the commission of any such breaches which they may know or have reason to believe are about or likely to be committed.

17. (i) Every officer of the Excise, Police or Land Revenue Department not below such rank as may be prescribed, shall, within the area for which he is appointed, have power to investigate all offences against this Act.

(ii) Every such officer shall, in the conduct of such investigation, exercise the powers conferred by the Code of Criminal Procedure, 1904, upon an officer in charge of a police station for the investigation of a cognizable offence:

Provided that if such officer is of opinion that there is not sufficient evidence or reasonable ground of suspicion to justify the forwarding of an accused to a Magistrate, or that the person arrested may be discharged with a warning, such officer shall release him on his executing a bond, with or without sureties, to appear if and when so required before a Magistrate and shall make a full report of the case to the Deputy Commissioner.

18. (i) All offences against this Act shall be bailable.

(ii) Any officer empowered under section 17 shall have power to grant bail in accordance with the provisions of the Code of Criminal Procedure, 1904, to any person arrested without warrant for an offence against this Act.

19. When anything has been seized by an officer exercising powers under section 17, such officer, after such inquiry as he considers necessary —

(*a*) if it appears that such thing is required as evidence in the case of any person arrested, shall forward the thing to the Magistrate to whom such person is forwarded or for his appearance before whom bail has been taken ;

(*b*) if it appears that such thing is liable to confiscation but is not required as evidence as aforesaid, shall send the thing with a report of the particulars of the seizure to the prescribed authority ; and

(*c*) if no offence appears to have been committed, shall return the thing to the person from whose possession it was taken and shall report to the prescribed authorities accordingly.

20. (i) The prescribed authority may accept from any person who has committed or is reasonably suspected of having committed an offence against this Act, by way of composition of such offence—

(*a*) where the offence consists of a sale of motor spirit in contravention of this Act or of the evasion of an tax payable by him under section 3, a sum of money no exceeding five hundred rupees or double the amount of th tax payable, whichever is greater; and

(*b*) in other cases, a sum of money not exceeding five hundred rupees.

(ii) On the payment of such sum of money and the tax, if any, payable under section 3, to the prescribed authority, the accused person shall be discharged, the property seized, if any, shall be released and no further proceedings shall be taken against such person or property in respect of such offence.

21. (i) No Magistrate shall take cognizance of any offence against this Act—

(*a*) except upon the complaint or report of the Deputy Commissioner or other prescribed authority, or

(*b*) except upon his own knowledge or suspicion.

(ii) Except with the sanction of the Government, no Magistrate shall take cognizance of any offence against this Act, unless the prosecution is instituted within six months from the date on which the offence is alleged to have been committed :

Bihar 27 (3 months)

Provided that nothing contained in this sub-section shall apply to any case governed by section 23.

22. (i) No suit, prosecution or other proceeding shall lie against any officer or servant of the Government, for any act done or purporting to be done under this Act, without the previous sanction of the Government.

Bihar 28 Bom Act 22(1) Punjab 21(1) C.P. 24(1) U.P. 15(1)

(ii) No officer or servant of the Government shall be liable in respect of any such act in any civil or criminal proceeding, if the act was done in good faith in the course of the execution of duties or the discharge of functions imposed by or under this Act.

23. No suit shall be instituted against the Government, and no suit, prosecution or other proceeding shall be instituted against any officer or servant of the Government in respect of any act done or purporting to be done under this Act, unless the suit, prosecution or other proceeding is instituted within six months from the date of the act complained of.

Bom Act 22(2) Punjab 21(2) C.P. 24(2) (4 months) U.P. 15(2)

24. (i) Any person aggrieved by any order passed under this Act, not being an order passed by any court or Magistrate, may appeal—

Bom Act 23 Punjab 22 C.P. 25 U.P. 16 Bihar 29

(*a*) in case such order is passed by a Deputy Commissioner, to the Government, and

(*b*) in any other case, to the Deputy Commissioner.

(ii) The appellate authority may, after giving the appellant an opportunity of being heard, pass such orders on the appeal as such authority thinks fit.

(iii) Every order passed in appeal under this section shall, subject to the powers of revision conferred by section 25, be final.

25. The Government may, at any time, call for and examine the record of any order passed by, or any proceedings recorded by, any officer or person under this Act, for the purpose of satisfying itself as to the legality or propriety of such order, or as to the regularity of such proceedings, and may pass such order in reference thereto as it thinks fit.

Bom Act 23(3) Punjab 22(3) C.P. 25(3) U.P. 16 Bihar 29(4)

Nothing contained in this section shall apply to the orders or proceedings of any court or Magistrate.

26. (i) The Government may make rules to carry out the purposes of this Act.

(ii) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(*a*) all matters expressly required or allowed by this Act to be prescribed;

(*b*) the regulation of the sale of motor spirit for the purpose of enforcing the provisions of this Act;

(*c*) the duties and powers of inspecting and other officers appointed or authorised to exercise any powers under this Act, and the procedure to be followed by such officers;

(*d*) the form in which, and the time within which, appeals under section 24 may be preferred; and

(*e*) any other matter for which there is no provision or no sufficient provision in this Act and for which provision is, in the opinion of the Government, necessary for giving effect to the purposes of this Act.

(iii) In making a rule under sub-section (i) or sub-section (ii), the Government may provide that a breach thereof shall be punishable with fine which may extend to one thousand rupees and where the breach is a continuing one, with further fine which may extend to fifty rupees for every day after the first during which the breach continues.

(iv) The power to make rules conferred by this section shall, except on the first occasion of the exercise thereof, be subject to the condition of the rules being made after previous publication for a period of not less than four weeks.

27. All rules made and notifications issued under this Act shall be published in the official Gazette and upon such publication, shall have effect as if enacted in this Act.

28. If any difficulty arises in giving effect to the provisions of this Act or the rules made thereunder, the Government may, as occasion may arise, by order, do anything which appears to it necessary for the purpose of removing the difficulty.

Statement of Objects and Reasons.

The object of this Bill is to levy a tax on all retail sales of motor spirit in the State. It is proposed to levy

the tax on a gallonage basis at one anna per gallon or at such other rate as may be fixed by the Government by notification in the official Gazette. The tax need be paid only once.

Provision has been made for the compulsory registration of all dealers and retail dealers in motor spirit. No one can sell in retail motor spirit unless he is registered as a retail dealer. Monthly returns are required from the retail dealers. The tax is to be paid before the submission of the return, and evidence of payment is to accompany the return. Power has been taken to determine the tax in cases where an incorrect or incomplete return or no return is submitted. In default of payment of the tax, it may be collected as an arrear of land revenue. An alternative method of collecting the tax from the wholesale dealer himself, where he consents to the adoption of that course, is also provided for. Dealers other than retail dealers have also to submit returns for facilitating the check of accounts of the retail dealers.

Power has been taken to inspect accounts and stocks of motor spirit. Provision is made for appeals against orders of the Deputy Commissioner or other executive officers of Government.

The Bill follows in the main the Madras Sales of Motor Spirit Taxation Act, 1959.

Printed by the Superintendent at the Government Press, Bangalore.

I am desired to inform you that/the Government of Mysore intend to levy a tax on all retail sales of motor spirit in the State, as has been done in Madras and some other provinces in British India, and to take steps to introduce the necessary legislation to bring this into effect from the beginning of next official year. The rate of levy is proposed to be fixed at one anna or one anna and six pies per gallon.

It is, however, felt that the measure proposed will not be quite effective unless a similar levy of tax at the same rate is simultaneously imposed in the Civil and Military Station also.

I am to request you to be so good as to intimate whether the authorities of the C & M. Station will be agreeable to join in th above arrangement, and to take necessary steps to enforce a simultaneous levy of tax in the Station area at the same rate as may be imposed in the State.

The favour of a very early reply is requested.

H. Trevelyan, Esq., I.C.S.,
Secretary to the Hon'ble the Resident in Mysor

325/33 5/1/4/39

CONFIDENTIAL.

My dear Trevelyan,

I am desired to inform you that the Government of Mysore intend to levy a tax on all retail sales of motor spirit in the State, as has been done in Madras and some other Provinces in British India, and to take steps to introduce the necessary legislation to bring this into effect from the beginning of the next official year. The rate of levy is proposed to be fixed at one anna or one anna and six pies per gallon.

It is, however, felt that the measure proposed will not be quite effective unless a similar levy of tax at the same rate is simultaneously imposed in the Civil and Military Station also.

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The favour of a very early reply is requested.

Yours sincerely,

11/4

(Chief Secretary)

CONFIDENTIAL.
D.O.No.Pol.F.50 of 1939.

Bangalore,
29th April 1939.

CB.
Papers
MM
29/4

My dear Kesavaiengar,

Please refer to your demi-official letter No. 3253/CB, dated the 12th April 1939.

The question will require the orders of the Political Department and a reply will be sent to you later. Meanwhile, the Resident will be grateful if you could let me know what will be the legislative authority for the imposition of this tax in the Mysore State and will be glad to have a copy of any bill or rules to be framed for this purpose.

Yours Sincerely

H Belgaum.

Rajasevaprasakta
Mr.B.T.Kesavaiengar, B.A.,
Chief Secretary to the Government of
His Highness the Maharaja of Mysore,
BANGALORE.

Confidential.
D.O.No.Pol.F.50-39

Bangalore,
24th May 1939.

LEVY OF TAX ON RETAIL SALES OF MOTOR SPIRIT.

CS. 1115 24.5.39

My dear Kesavaiengar

Please refer to my demi-official letter No.Pol.F.50-39, dated the 29th April 1939.

Information of the means to be adopted to realise the sales tax on motor spirit in Mysore State is required before a decision can be reached whether the tax should be imposed in the Civil and Military Station.

Will you please therefore send a copy of the draft bill and of the rules to be framed for the levy of tax to this Residency at a very early date.

Yours sincerely,

H Rudyard

Rajasevaprasakta Mr.B.T.Kesavaiengar, B.A.,
Chief Secretary to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

26th May 1939

3691/CS

Subject:- LEVY OF TAX ON RETAIL SALES OF MOTOR SPIRIT.

My dear Trevelyan

With reference to correspondence ending with your demi-official letter No. Pol. F.50-39 dated 24th May 1939, I am desired to state that the draft bill is under preparation and a copy will be sent to you as soon as it is ready. It is proposed to frame the Bill and Rules generally on the lines of the Madras Sales of Motor Spirit Taxation Act, 1939, and the Rules issued under that Act. Y. S.

H. Trevelyan, Esqr., I.C.S.,
Secretary to the Hon'ble the Resident in Mysore.

3491/CS 4/26/37.

Subject. -

LEVY OF TAX ON RETAIL SALES OF MOTOR SPIRIT.

***

Dear Mr. Trevelyan,

With reference to correspondence end with your demi-official letter No. Pol.F. dated 24th May 1939, I am desired to stat that the draft bill is under preparation a copy will be sent to you as soon as it ready. ~~I am to add that the question of levying the tax is still under considerat~~

Yours sincerely,

Chief Secy.

H. Trevelyan, Esqr., I.C.S.,
Secretary to the Hon'ble the Resident.

Confidential.
D.O.No.Pol.F.50-39

Bangalore,
5th June 1939.

LEVY OF TAX ON RETAIL SALES OF MOTOR SPIRIT.

My dear Kesavaiengar.

Please refer to your demi-official letter No.369CB, dated the 26th May 1939.

A member of the Burmah-Shell Co. informed me that the Central Provinces Sales of Motor Spirit Taxation Act is far simpler than the Madras Act, and has been used as the model for several other Provincial Acts. I have not confirmed this information; but thought you might like to have it.

Yours sincerely,

Rajasevaprasakta Mr.B.T.Kesavaiengar, B.A.,
Chief Secretary to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

3241/C

10th June 9

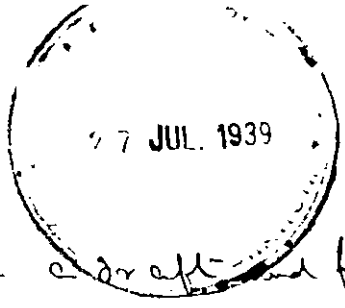
LEVY OF TAX ON RETAIL SALES OF MOTOR SPIRIT.

My dear Trevelyan

I write to acknowledge with thanks the receipt of your confidential demi-official letter No. Pol.F.50-39 dated the 5th June 1939 on the above subject.

4-5

H. Trevelyan, Esqr., I.C.S.,
Secretary to the Hon'ble the Resident in Mysore.



Submitted with a draft and fair
letter to Mr. Trevelyan acknowledging
the receipt of his letter. After issue the
Par file will be sent to the
26.7.39 Law Dept. for disposal.

approved
MM
26/7

Issued.

with file to Law Dept.

Please this on the main file.

6 26/7

MM
26/7

Confidential.
D.O.No.Pol.50 of 39.

THE RESIDENCY

BANGALORE,
25-26 July 1939.

LEVY OF TAX ON RETAIL SALES OF MOTOR SPIRIT.

My dear Kesa ---

I wrote to you that I had heard that the Central Provinces Act for the taxation of motor spirit was in some respects preferable to the Madras Act. After examination of that act, we have decided in Coorg to introduce the Madras model. Itwould probably make the administration of the act much easier if all Governments in South India adopt the same model.

Yours sincerely,

Rajasevaprasakta Mr. B.T.Kesavaiengar, B.A.,
Chief Secretary to the Government of
His Highness the Maharaja of Mysore,
B a n g a l o r e.

26th July 1939

My dear Trevelyan

I am desired to acknowledge, with thanks, the receipt of your D. O. letter No. Pol.50 of 1939 dated 25th July, re: the levy of Tax on Retail Sales of Motor Spirit in South India.

Yours sincerely,

H. Trevelyan, Esqr., ...,
Secretary to the Hon'ble the Resident in Mysore.

R/V No P 102/1111.

5th August 1939.

CONFIDENTIAL.

LEVY OF TAX ON RETAIL SALES OF MOTOR SPIRIT.

I am desired to invite reference to the correspondence ending with Mr. Kesavaiengar's D.O. letter No.228/C.B. dated 26th July 1939 on the above subject.

A copy of the draft Bill proposed to be introduced here is forwarded herewith. The Bill generally follows the Madras Sales of Motor Spirit Taxation Act, 1939.

I am to request that the views of the Political Department in the matter of the levy of a similar tax in the Civil and Military Station may kindly be ascertained and intimated to this Government early.

H.Trevelyan, Esq., I.C.S.,
Secretary to the Hon'ble the Resident
in Mysore, Bangalore.

DRAFT.

CONFIDENTIAL.

LEVY OF TAX ON RETAIL SALES OF MOTOR SPIRIT.

I am desired to invite reference to the correspondence ending with Mr. Kesavaiyangar's D.O. letter No.228/C.B. dated 26th July 1939 on the above subject.

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H.Trevelyan, Esq., I.C.S.,
Secretary to the Resident in Mysore.

Confidential.
D.O.No.Pol.50 of 39

Bangalore,
September 1939.

2151/P

SALES TAX ON MOTOR SPIRITS.

My dear Subramania Iyer.

Please refer to the correspondence ending with your demi-official letter No.Pol.702, dated the 5th August 1939.

The Political Department have no objection to the introduction of the law into the Station. Will you please let me know the date with effect from which it is intended to introduce the legislation in Mysore. We will have to submit proposals to the Crown Representative for the application of the Madras Act to the Station with suitable modifications. It will be wise to arrange that the two Acts are brought into effect on the same day.

Yours sincerely

C.Subrahmanya Aiyar, Esq.,B.A., B.L.,
Secretary to the Government of
His Highness the Maharaja of Mysore,
Law Department.

CONFIDENTIAL.
D.O.No.Pol.50 of 39

BANGALORE,
2nd October 1939.

2241

SALES TAX ON MOTOR SPIRITS.

Your demi-official letter No.Pol.702, dated the 5th August 1939.

Dear Subramania Iyer.

Please refer to my demi-official letter No.Pol.50 of 39, dated the 27th September 1939.

Will you please let me know what alterations you propose to make in your draft Motor Spirit Taxation Bill as a result of the suggestions of the Burmah-Shell Company? Their chief representations appear to be that diesel oil should not be taxed and that the obligations of the wholesale dealer should be simpler. It would probably be better that we should not propose a draft for application to the Station for the approval of His Excellency the Crown Representative until your bill is passed into law, so that we can see if amendments are made in it by the Council. After the Act is passed, we can decide the date when both the Acts should come into force. (See section 1(3) of your draft).

1st Member 3/10/39

3/10/39

4/10

C.Subrahmanya Aiyar, Esq.,B.A., B.L.,
Secretary to the Government of
His Highness the Maharaja of Mysore,
Law Department.

Pol 527 d 9th Oct 1939

DRAFT

SALES TAX ON MOTOR SPIRITS

I am desired to acknowledge your confidential letter No.D.O.Pol 50 of 39 dated the 2nd instant on the above subject and to state that the statement of General Principles of the Motor Spirits Taxation Bill is proposed to be placed before the Representative Assembly during its ensuing Dasara Session, ~~and~~ the Bill ~~introduced~~ and ~~passed~~ in the Legislative Council during its next session.

~~As no~~ representative of the Burmah Shell Company had seen me ~~so far and no suggestions have been received from the Company, it is not proposed to make any alterations in the Bill.~~

H.Trevelyan, Esq., I.C.S.,
Secretary to Resident in Mysore.

9th October 1.3

Rd 527

SALES TAX [illegible] S UNITS.

I am desired to acknowledge your Confidential letter No.D...01 50 of 39 dated the 2nd instant on the above subject and to state that the statement of General Principles of the Motor Spirits Taxation Bill is proposed to be placed before the Representative Assembly during its ensuing Lahar Session. It is proposed to introduce the Bill and pass it in the Legislative Council during its next session.

The representative of the Burmah Shell Company had seen me and said he would send for consideration in connection with the Bill a memo of suggestions.

H.Trevelyan, Esq., I.C.S.,
Secretary to the Hon'ble the Resident in Mysore,
Bangalore.

MADRAS SALES OF MOTOR SPIRIT TAXATION ACT, 1939.

Legislation has been enacted in other Provinces in British India besides Madras to provide for the levy of retail sales taxes on Motor Spirit and other commodities. The Madras Sales of Motor Spirit Taxation Act, which came into force on April 1st 1939, contain certain objectionable features and it is complicated by the number of unnecessarily detailed registrations and returns which are required for wholesale dealers/importers as well as retail dealers. Returns of this complication have not been thought necessary by other Provincial Governments and it is submitted that, while causing a great deal of work and consequent expense both to wholesalers/importe and retailers, they are in no way essential from the point of view of Governmont.

The Madras Act is the only one of all the Provincial Acts tha provides for the taxation of all diesel oils and its definition of Motor Spirit, compared with those in the other Acts, is exceedingly clumsy. It would be advisable therefore before the introduction of any similar taxation measure in Mysore to study the Sales Tax Acts of other Provinces and as examples of simpler legislation the Central Provinces and the Bombay Acts may be cited.

The following criticisms and comments on the Madras Sales of Motor Spirit Taxation Act may be of assistance:-

Clause 2(c): The definition of Motor Spirit is complicated and unsatisfactory. The expression "other internal combustion oils" is vague and the application of the tax to diesel oil bears hardly on owners of rice mills, pumping sets, ginning factories, groundnut mills

etc., which all form part of the Agricultural system. The definiti in the Bombay Act is much to be preferred and reads as follows:-

> "Motor Spirit" means any liquid or admixture of liquids which is capable of providing reasonably efficient motive power for any form of motor vehicle and which has a flashing point below 76°F

Clause 2(d): If the foregoing definition is adopted, this clause would require to be omitted.

Clause 3(1): A tax of 1½ annas per gallon on petrol is a high impost and although a similar rate is being charged in other Provinces, the Bombay tax is only one anna per gallon. A gallonage tax is, however, far preferable to the Central Provinces system where the charge is 5% ad valorem.

If the definition in clause 2(c) were to be amended as suggested above, the words "in the case of Petrol" and "in the case of Motor Spirit other than Petrol at the rate of 6 pies per gallon" would require to be omitted. Apart from this, a tax of 6 pies per gallon on Diesel Oil represents as much as ~~10%~~ 8% on the price of oil required for agricultural and industrial uses, which it is submitted is much too heavy and far more than the trade should bear. As already noted, Madras alone out of 9 Provinces has taxed Diesel Oil used for Agriculture and Industry.

Clause 3(2): The tax is a tax payable on actual retail sales so that no tax could legally be charged on motor spirit consumed in a retailer's own transport, lost by leakage, or otherwise not disposed of by way of retail sale. No wholesale dealer or importer in the Madras Presidency has agreed to pay the tax in advance in accordance with this clause and even if they were to do so, their legal position

would be open to question for the foregoing reason that it is only a retail sales tax. The practical utility of this clause would therefore appear to be doubtful and it is suggested that it should be omitted.

Clause 4(1): Explanation. The expression "place of business" should be defined. It is also strongly recommended that wholesale dealers should not be required to effect more than one registration for the whole of Mysore State as is provided for in the Central Provinces Act.

Clause 4(4): It is submitted that a deposit from a retail dealer is unnecessary in view of the provisions in clause 7. Deposits are not required in the Central Provinces Act and the Penalty Clauses should be sufficient to deal with offences under the Act.

Clause 4(6): The reasons for which registration may be suspended or cancelled should be prescribed in the Act itself as in the Central Provinces Act.

Clause 8: The returns prescribed are unnecessarily detailed bearing in mind that only genuine retail sales can be taxed under the Act. Moreover, these returns cannot tally with the sales made by retailers owing to evaporation losses etc. It is suggested that the particulars required from wholesale dealers should be confined to monthly statements of the total quantities delivered each month to individual retailers. In respect of the Madras returns, the Act is not so objectionable as the rules that have been framed thereunder. The cumbersome records and returns called for from both retailers and

Provinces which have imposed similar taxes. As already noted they are unpopular with retailers and wholesalers because they involve a great deal of work; while at the same time they cannot be effective so far as minor evasions are concerned. This will be clear from a consideration of the fact that no tax can be levied in respect of Motor Spirit disposed of otherwise than by sale in retail, i.e. losses by evaporation or leakage, or any other cause and also Spirit consumed in a Dealer's own transport are not taxable and it is impossible to establish an exact check upon such disposal. Hence complicated returns involving the balancing of opening and closing stocks and the maintenance of serially numbered vouchers are really of little assistance. On the other hand, major fraud can be detected at once from a comparison of deliveries to dealers by wholesalers, shown in the monthly statements suggested above, and retailers' returns of sales and payments of tax over a period.

Clauses 9(2) and 14(a): The right of entry and search should be only at reasonable times and should be subject to the provisions of the Petroleum Rules.

Clause 27: Proper notice should be given in respect of rules and notification under the Act.

Madras, 10th October, 1939.

Provinces which have imposed similar taxes. As already noted they are unpopular with retailers and wholesalers because they involve a great deal of work; while at the same time they cannot be effective so far as minor evasions are concerned. This will be clear from a consideration of the fact that no tax can be levied in respect of Motor Spirit disposed of otherwise than by sale in retail, i.e. losses by evaporation or leakage, or any other cause and also Spirit consumed in a Dealer's own transport are not taxable and it is impossible to establish an exact check upon such disposal. Hence complicated returns involving the balancing of opening and closing stocks and the maintenance of serially numbered vouchers are really of little assistance. On the other hand, major fraud can be detected at once from a comparison of deliveries to dealers by wholesalers, shown in the monthly statements suggested above, and retailers' returns of sales and payments of tax over a period.

Clauses 9(2) and 14(a): The right of entry and search shoul be only at reasonable times and should be subject to the provisions of the Petroleum Rules.

Clause 27: Proper notice should be given in respect of rules and notification under the Act.

Madras, 10th October, 1939.

G. 2—5,000—8-39.

Sales-Tax - Definition of ' Motor Spirit'.

		Rate of Tax.
MADRAS.	'Motor Spirit' means any substance which by itself or in admixture with other substances is ordinarily used directly or indirectly to provide reasonably efficient fuel for automotive or stationary internal combustion engines, and includes petrol, diesel oil and other internal combustion oils, but does not include kerosene, furnace oil, coal or charcoal. 'Petrol' means dangerous petroleum as defined in the Petroleum Act, 1934.	1½ As.
s No.		
BOMBAY.	'Motor Spirit' means any liquid or admixture of liquids which is capable of providing reasonably efficient motive power for any form of motor vehicle and which has a flashing point below 76°F.	1 anna
bs No.		
PUNJAB	'Motor Spirit' means any inflammable hydro-carbon (including any mixture of hydro-carbons or any liquid containing hydro-carbon) which is ordinarily used for providing reasonably efficient motive power for any form of motor vehicle.	1½ As.
Lubs No.		
BIHAR	'Motor Spirit' means any inflammable hydrocarbon (including any mixture of hydro-carbons or any liquid containing hydrocarbon) which is ordinarily used for providing reasonably efficient motive power for any form of motor vehicle.	1½ As.
No.		
UNITED PROVINCES	'Motor Spirit' means any inflammable hydrocarbon (including any mixture of hydrocarbons or any liquid containing hydrocarbon) which is ordinarily used for providing reasonably efficient motive power for any form of motor vehicle.	
s.No.		
C.P. & BERAR	'Motor Spirit' means any inflammable hydrocarbon (including any mixture of hydrocarbons or any liquid containing hydrocarbon) which is ordinarily used for providing reasonably efficient motive power for any form of motor vehicle.	
Lubs Yes.		

MYSORE SALES OF MOTOR SPIRIT TAXATION BILL, 19 .

A Bill to provide for the levy of a tax on retail sale of Motor Spirit in Mysore.

Whereas it is expedient to provide for the levy o tax on retail sales of motor spirit in Mysore ; it is her enacted as follows :—

1. (*i*) This Act may be called the Mysore Sale Motor Spirit Taxation Act, 19 .

(*ii*) It extends to the whole of Mysore.

(*iii*) This section shall come into force at once, and the rest of this Act shall come into force on such date as the Government may, by notification in the official Gazette appoint. apply all or any of the same other provisions of this Act from such date as may be specified in the notifi

2. In this Act, unless there is anything repugnant in the subject or context—

(*a*) "Government Treasury" means the State Huzur Treasury, Bangalore, or any District or Taluk Treasury of the Government ;

(*b*) "importer" means any person who imports motor spirit into Mysore ;

(*c*) "motor spirit" means any substance which by itself or in admixture with other substances is ordinarily used directly or indirectly to provide reasonably efficient fuel for automotive or stationary internal combustion engines, and includes petrol, diesel oil and other internal combustion oils, but does not include kerosene, furnace oil, coal or charcoal ;

(*d*) "petrol" means dangerous petroleum as defined in Petroleum Act, 1923 ;

(*e*) "prescribed" means prescribed by rules made under this Act ;

(*f*) "retail dealer" means any person who sells or keeps for sale motor spirit for the purpose of consumption by the person by whom or on whose behalf it is or may be purchased ;

(*g*) "retail sale" means a sale of motor spirit by a retail dealer for the purpose of consumption by the person by whom or on whose behalf it is or may be purchased,

and the expression "sell in retail" shall be construed accordingly; and

(*h*) "wholesale dealer" means any person who sells motor spirit, or keeps motor spirit for sale, to dealers in such spirit, for the purpose of trade.

Explanation.—A sale of motor spirit by a co-operative society or a club, a firm or any association to one of its members for consumption is a retail sale within the meaning of clause (*g*).

3. (i) Subject to the provisions of this Act, there shall be levied on all retail sales of motor spirit effected after the commencement of this Act, a tax,

in the case of petrol,—at the rate of one anna per gallon, and

in the case of any motor spirit other than petrol—at the rate of six pies per gallon;

and such tax shall be payable by the person effecting the sale

Provided that the Government may, from time to time by notification in the official Gazette, fix any other rate at which the tax shall be payable.

(ii) Where any retail dealers obtain their supplies of motor spirit from an importer or a wholesale dealer, it shall be open to the Government, by agreement with the importer or wholesale dealer, to levy from him in advance the tax which may be payable by the retail dealers under sub-section (i) on the sale by them of the motor spirit and the provisions of this Act relating to the assessment and recovery of tax shall, subject to such conditions as may be agreed upon, apply to the importer or wholesale dealer accordingly.

(iii) No tax shall be levied under this Act on the sale of any motor spirit in respect of which such tax has already been paid.

4. (i) No person shall, after the commencement of this Act, carry on business in motor spirit as an importer or as a wholesale or retail dealer at any place in Mysore unless he has been registered as such under this Act:

Provided that persons carrying on business at the commencement of this Act shall be allowed two months from such commencement to get themselves registered under this Act.

Explanation.—Where a person has more than one place of business, whether in the same town or village or

n different towns and villages, he shall get himself registered separately in respect of each such place of business.

(ii) (*a*) No importer or wholesale dealer shall, unless also registered as a retail dealer under this Act, sell motor spirit for consumption or sale in Mysore to any person other than an importer or a wholesale dealer or a retail dealer, registered as such under this Act.

(*b*) No retail dealer shall use or transfer for consumption any motor spirit stocked by him without its being included in his accounts and in the next return of retail sales submitted by him under section 5 (*b*).

(iii) Application for registration as an importer or a wholesale dealer or a retail dealer under this Act shall be made in such form and to such authority as may be prescribed.

(iv) Registration may be made subject to such conditions if any, as may be prescribed, including in the case of an applicant for registration as a retail dealer, the making of such deposit or the furnishing of such security as the registering authority may consider necessary to ensure the due payment of the tax, which may from time to time be payable by him.

(v) No person including a company or firm registered as an importer, a wholesale dealer or a retail dealer, shall carry on the business of public transport requiring the use of motor spirit.

(vi) Any registration under sub-section (1) may be suspended or cancelled by such authority, for such reasons and in such manner, as may be prescribed.

5. Every retail dealer in motor spirit shall in respect of each place where he carries on business—

(*a*) keep books of account in the prescribed form; and

(*b*) submit every month to the Deputy Commissioner and to such other officers as may be prescribed, a return in the prescribed form and before the prescribed date, showing—

(*i*) the quantity of motor spirit received by him during the preceding month;

(*ii*) the quantity sold by him during such month; and

(*iii*) such other particulars as may be prescribed.

6. Along with the return referred to in clause (*b*)of section 5, the retail dealer shall furnish a receipt from a Government Treasury for the amount of the tax due in respect of the motor spirit sold by him in retail during the preceding month, according to the return.

7. (i) If no return is submitted by a retail dealer under clause (*b*) of section 5 in respect of any month before the date prescribed in that behalf, or if the return is submitted without a receipt for the full amount of the tax due as required under section 6, or if the return submitted appears to the Deputy Commissioner to be incorrect or incomplete, the Deputy Commissioner shall, after making such inquiry as he considers necessary, determine the amount of the tax due from such retail dealer in respect of such month and the amount so determined less the sum, if any, already paid by him shall be paid by the retail dealer into a Government Treasury within fourteen days after demand is made therefor:

Provided that before taking action under this subsection, the retail dealer shall be given a reasonable opportunity of proving the correctness and completeness of his return.

(ii) In default of payment within the period aforesaid, the amount of tax due shall be recovered from the person from whom the tax is due as if it were an arrear of land revenue.

8. Every importer or wholesale dealer, shall—

(*a*) keep books of accounts in the prescribed form, and

(*b*) submit every month to the Deputy Commissioner and to such other officers as may be prescribed, a return in the prescribed form and before the prescribed date, showing—

(*i*) the quantity of motor spirit received by him in the preceding month,

(*ii*) the quantities of motor spirit supplied by him during such month to other importers, wholesale dealers or retail dealers, specifying the name and address of each importer, wholesale dealer or retail dealer, the quantities supplied to him, and the dates on which the supplies were made, and

(*iii*) such other particulars as may be prescribed.

9. All accounts and vouchers relating to stocks, purchases, sales and deliveries of motor spirit kept by importers, wholesale dealers and retail dealers and the stocks of motor spirit with them shall be open to inspection by such officers as the Government may authorise in that behalf.

10. Any person who—

(*a*) carries on business in motor spirit as an importer, a wholesale dealer or a retail dealer at any place without getting himself registered as required by sub-section (i) of section 4 or when his registration in respect of such place is not in force, or

(*b*) fails to keep books of account as required by clause (*a*) of section 5 or of section 8 or

(*c*) fails to submit any return as required by clause (*b*) of section 5 or of section 8 on or before the prescribed date, or submits an incorrect or incomplete return or fails to submit a receipt for the full amount of the tax due as required by section 6, or

(*d*) fails to pay the tax due from him within the time allowed, or

(*e*) fraudulently evades the payment of any tax due under this Act, or

(*f*) acts in contravention of any of the provisions of this Act,

shall, on conviction by a Magistrate of the First Class, be liable to a fine which may extend to one thousand rupees and where the breach is a continuing one, to a further fine which may extend to fifty rupees for every day after the first during which the breach continues.

11. The motor spirit in respect of which an offence against this Act is committed and any receptacle in which such spirit is contained shall be liable to confiscation.

12. (*i*) When in any case tried by a Magistrate, the Magistrate decides that anything is liable to confiscation under section 11, he may, after hearing the person, if any, claiming any right thereto and the evidence, if any, which he produces in support of his claim, order confiscation or may give the owner an option to pay such fine as the Magistrate deems fit in lieu of confiscation.

(*ii*) When an offence against this Act has been committed but the offender is not known, or cannot be found, or when anything liable to confiscation under this Act and not in the possession of any person cannot be

satisfactorily accounted for, the case shall be enquired into and determined by the prescribed officer who may order such confiscation:

Provided that no such order shall be made until the expiration of one month from the date of seizure of the things intended to be confiscated or without hearing the persons, if any, claiming any right thereto, and the evidence, if any, which they produce in support of their claims.

13. (*i*) Any officer of the Government specially empowered by them in this behalf may issue a warrant for the arrest of any person whom he has reason to believe to have committed an offence against this Act.

(*ii*) All warrants issued under this section shall be executed in accordance with the provisions of the Code of Criminal Procedure, 1904, by a Police Officer, or if the officer issuing the warrant deems fit, by any other person.

14. Any officer of the Government specially empowered by them in this behalf may—

(*a*) enter and search any building, vessel, vehicle or place in which he has reason to believe that any motor spirit liable to confiscation under this Act is kept or concealed;

(*b*) seize any motor spirit and any receptacle which he has reason to believe to be liable to confiscation under this Act; and

(*c*) detain, search and arrest any person whom he has reason to believe to be guilty of any offence against this Act.

15. The provisions of section 61 of the Code of Criminal Procedure, 1904, shall apply to all arrests without warrant made under section 14.

16. Every officer employed by the Government or by any local authority shall be bound to give immediate information at the nearest police station or, if so required by any general or special order issued by the Government, to the nearest Excise Officer of rank not below that of sub-inspector, of all breaches of any of the provisions of this Act which may come to his knowledge; and all such officers shall be bound to take all reasonable measures in their power to prevent the commission of any such breaches which they may know or have reason to believe are about or likely to be committed.

17. (*i*) Every officer of the Excise, Police or Land Revenue Department not below such rank as may be prescribed, shall, within the area for which he is appointed, have power to investigate all offences against this Act.

(*ii*) Every such officer shall, in the conduct of such investigation, exercise the powers conferred by the Code of Criminal Procedure, 1904, upon an officer in charge of a police station for the investigation of a cognizable offence:

Provided that if such officer is of opinion that there is not sufficient evidence or reasonable ground of suspicion to justify the forwarding of an accused to a Magistrate, or that the person arrested may be discharged with a warning, such officer shall release him on his executing a bond, with or without sureties, to appear if and when so required before a Magistrate and shall make a full report of the case to the Deputy Commissioner.

18. (*i*) All offences against this Act shall be bailable.

(*ii*) Any officer empowered under section 17 shall have power to grant bail in accordance with the provisions of the Code of Criminal Procedure, 1904, to any person arrested without warrant for an offence against this Act.

19. When anything has been seized by an officer exercising powers under section 17, such officer, after such inquiry as he considers necessary—

(*a*) if it appears that such thing is required as evidence in the case of any person arrested, shall forward the thing to the Magistrate to whom such person is forwarded or for his appearance before whom bail has been taken;

(*b*) if it appears that such thing is liable to confiscation but is not required as evidence as aforesaid, shall send the thing with a report of the particulars of the seizure to the prescribed authority; and

(*c*) if no offence appears to have been committed, shall return the thing to the person from whose possession it was taken and shall report to the prescribed authorities.

20. (*i*) The prescribed authority may accept from any person who has committed or is reasonably suspected of having committed an offence against this Act, by way of composition of such offence—

(*a*) where the offence consists of a sale of motor spirit in contravention of this Act or of the evasion of any

tax payable by him under section 3, a sum of money not exceeding five hundred rupees or double the amount of the tax payable, whichever is greater ; and

(*b*) in other cases, a sum of money not exceeding five hundred rupees.

(*ii*) On the payment of such sum of money and the tax, if any, payable under section 3, to the prescribed authority, the accused person shall be discharged, the property seized, if any, shall be released and no further proceedings shall be taken against such person or property in respect of such offence.

21. (*i*) No Magistrate shall take cognizance of any offence against this Act—

(*a*) except upon the complaint or report of the Deputy Commissioner or other prescribed authority, or

(*b*) except upon his own knowledge or suspicion.

(*ii*) Except with the sanction of the Government, no Magistrate shall take cognizance of any offence against this Act, unless the prosecution is instituted within six months from the date on which the offence is alleged to have been committed:

Provided that nothing contained in this sub-section shall apply to any case governed by section 23.

22. (*i*) No suit, prosecution or other proceeding shall lie against any officer or servant of the Government, for any act done or purporting to be done under this Act, without the previous sanction of the Government.

(*ii*) No officer or servant of the Government shall be liable in respect of any such act in any civil or criminal proceeding, if the act was done in good faith in the course of the execution of duties or the discharge of functions imposed by or under this Act.

23. No suit shall be instituted against the Government, and no suit, prosecution or other proceeding shall be instituted against any officer or servant of the Government in respect of any act done or purporting to be done under this Act, unless the suit, prosecution or other proceeding is instituted within six months from the date of the act complained of.

24. (i) Any person aggrieved by any order passed under this Act, not being an order passed by any court or Magistrate, may appeal—

(*a*) in case such order is passed by a Deputy Commissioner, to the Government, and

(*b*) in any other case, to the Deputy Commissioner.

(ii) The appellate authority may, after giving the appellant an opportunity of being heard, pass such orders on the appeal as such authority thinks fit.

(iii) Every order passed in appeal under this section shall, subject to the powers of revision conferred by section 25, be final.

25. The Government may, at any time, call for and examine the record of any order passed by, or any proceedings recorded by, any officer or person under this Act, for the purpose of satisfying itself as to the legality or propriety of such order, or as to the regularity of such proceedings, and may pass such order in reference thereto as it thinks fit.

Nothing contained in this section shall apply to the orders or proceedings of any court of Magistrate.

26. (i) The Government may make rules to carry out the purposes of this Act.

(ii) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(*a*) all matters expressly required or allowed by this Act to be prescribed;

(*b*) the regulation of the sale of motor spirit for the purpose of enforcing the provisions of this Act;

(*c*) the duties and powers of inspecting and other officers appointed or authorised to exercise any powers under this Act, and the procedure to be followed by such officers;

(*d*) the form in which, and the time within which, appeals under section 24 may be preferred; and

(*e*) any other matter for which there is no provision or no sufficient provision in this Act and for which provision is, in the opinion of the Government, necessary for giving effect to the purposes of this Act.

(iii) In making a rule under sub-section (i) or sub-section (ii), the Government may provide that a breach thereof shall be punishable with fine which may extend to one thousand rupees and where the breach is a continuing one, with further fine which may extend to fifty rupees for every day after the first during which the breach continues.

(iv) The power to make rules conferred by this section shall, except on the first occasion of the exercise thereof, be subject to the condition of the rules being made after previous publication for a period of not less than four weeks.

27. All rules made and notifications issued under this Act shall be published in the official Gazette and upon such publication, shall have effect as if enacted in this Act.

28. If any difficulty arises in giving effect to the provisions of this Act or the rules made thereunder, the Government may, as occasion may arise, by order, do anything which appears to it necessary for the purpose of removing the difficulty.

WD 2711—GPB—50—12-10-86.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. Col 1252

Dated, Bangalore. 18th March 1940.

From

The General Secretary to the Government of His Highness the Maharaja of Mysore.
Law Department.

To

The Secretary to the Hon'ble the Resident in Mysore.

Sir,

I am directed to request you to kindly obtain and send for reference two copies of the Bill to impose a tax on retail sales of Motor Spirit reported to have been passed by the Coorg Legislative Council recently.

I have the honor to be,

Sir,

Your most obedient servant,

For Secretary to Government
Law Department.

cn-2

Confidential

D.O.No.Pol.50 of 39.

Bangalore,

Dated 29-3-1940.

Mysore Motor Spirit
Taxation Bill.

My dear Narayana Rao.

I am desired to refer to Mr. Subrahmanya Aiyar's demi-official letter No.Pol.899/P, dated the 21st December 1939. Will you please let me know at what stage the above Bill is ?

Yours Sincerely

D. H. Bracegirdle.

H. V. Narayana Rao, Esq., B.A., LL.B.,
Secretary to the Government of His
Highness the Maharaja of Mysore,
Law Department, Bangalore.

CONFIDENTIAL.

MYSORE MOTOR SPIRIT TAXATION BIL..

With reference to your Confidential Demi official letter No.50 of 39 dated the 29th March 1940 on the above subject, I am desired to state that the Bill has been referred to a Select Committee and the Bill is likely to be passed by the Legislative Council at its next session.

Hm
2/4.

Captain D.H. Biscoe
Special Asst
to Resident.

e reply to this communication should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

SECY. LAW DEPT. 6 APR. 1940 GOVT O. MYSORE

No. D. F. 254-40 Judl.

REV. SECRETARIAT. 6 APR. 1940 POLITICAL BRANCH

From

THE SECRETARY TO THE HON'BLE THE RESIDENT IN MYSORE.

To

The Secretary to the Government of
His Highness the Maharaja of Mysore,
Law Department, Bangalore.

Dated Bangalore, the 6th April *1940*

Bill to provide for the levy of a tax on retail sales of motor spirit in the Province of Coorg.

Sir,

I am directed to refer to your letter No. Pol.1252, dated the 18th March 1940.

2. I enclose two copies of the above Bill, as recently passed by the Coorg Legislative Council.

I have the honour to be,

Sir,

Your most obedient servant,

for SECRETARY TO THE RESIDENT.

BJ

Bill No. III of 1939.

Report of the Select Committee on the Bill to provide for the levy of a tax on retail sales of motor spirit in the Province of Coorg.

To

THE LEGISLATIVE COUNCIL OF THE
CHIEF COMMISSIONER OF COORG.

We, the Members of the Select Committee appointed to consider the Bill to provide for the levy of a tax on retail sales of motor spirit in the Province of Coorg (Bill No. III of 1939), have the honour to submit the following report :—

2. The Bill was published in the *Coorg Gazette* on 1st September 1939.

3. We met on the 16th December, 1939, to consider the provisions of the Bill.

4. We have carefully examined the provisions of the Bill and the more important of the amendments made by us are referred to below :—

(*i*) *Clause 2, sub-clause* (*b*).—The definition of the term "importer" has been omitted as being unnecessary for purposes of the Coorg Bill.

Clause 2, sub-clause (*c*).—The definition of "motor spirit" is complicated and unsatisfactory. The expression "other internal combustion oils" is vague. The consumption of diesel and other fuel oils in Coorg is very little and the tax to be derived therefrom is negligible. Its use is mainly for agricultural purpose. We have, therefore, redrafted this sub-clause so as to exclude diesel oil and other fuel oils from the definition of the term "motor spirit."

Clause 2, sub-clause (*d*).—This sub-clause has been omitted.

(*ii*) *Clause 3, sub-clause* (*1*).—The majority of us consider that the proposed tax of one anna and six pies per gallon is a high impost in the circumstances of Coorg and recommend that the rate be reduced to one anna per gallon. We have accordingly amended this sub-clause, retaining the proviso, the Chairman alone dissenting from the majority view.

Clause 3, sub-clause (*2*).—The utility of this sub-clause is open to question and we have omitted it.

(*iii*) *Clause 4, sub-clause* (*1*).—We have redrafted this sub-clause retaining the "Explanation" thereunder.

(*iv*) *Clause 8.*—There are no wholesale dealers doing business in Coorg at present and we consider that the returns prescribed for them are unnecessarily detailed. We have therefore redrafted this clause leaving it to the Chief Commissioner to prescribe some simpler forms of accounts and returns to be submitted by wholesale dealers.

(*v*) *Clause 9, sub-clause* (*2*).—This sub-clause has been suitably amended by us to make the intention clear, omitting therefrom the words "and search", "vessel" and "importer".

(*vi*) *Clause 10.*—Certain minor and consequential amendments have been introduced in sub-clauses (a), (b) and (c).

(*vii*) *Clause 14.*—This has been renumbered as 14 (1).

Sub-clause (*a*).—The word "vessel" has been omitted.

New sub-clause (*2*).—We have added this new sub-clause laying down the procedure in respect of searches and arrests without warrant made under sub-clause 14 (1).

(*viii*) *Clause 15.*—This clause has been omitted and the subsequent clauses renumbered.

5. The other amendments made by us are either verbal or consequentia A copy of the Bill, as amended by us, is appended.

6. We do not consider it necessary to republish the Bill.

J. W. PRITCHARD (CHAIRMAN).

H. F. MURLAND, LT.-COL.

S. S. RAMA MOORTY.

P. G. MUDDAMAIYA.

MERCARA,
16th December 1939.

(Changes made by the Select Committee are printed in clarendon type.)

BILL No. III OF 1939.

[As amended by the Select Committee.]

Reference to existing law.

A Bill to provide for the levy of a tax on retail sales of motor spirit in the Province of Coorg.

Preamble.

WHEREAS it is expedient to provide for the levy of a tax on retail sales of motor spirit in the Province of Coorg;

AND WHEREAS the previous sanction of the Governor General has been obtained, under section 97 of the Government of India Act, 1935, to the passing of this Act;

It is hereby enacted as follows:—

Based on the Madras Sales of Motor Spirit Taxation Act, 1939. Madras Act No. VI of 1939.

Short title, extent and commencement.

1. (1) This Act may be called the Coorg Sales of Motor Spirit Taxation Act, 19

(2) It extends to the whole of the Province of Coorg.

(3) This section shall come into force at once, and the rest of this Act shall come into force on such date as the Chief Commissioner may, by notification in the official Gazette, appoint.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context—

(a) "Government treasury" means the Sadar treasury at Mercara or a sub-treasury in Coorg;

(b) **"motor spirit" means any liquid or admixture of liquids which is capable of producing reasonably efficient motive power for any form of motor vehicle and which has a flashing point below 76°F.;**

(c) "prescribed" means prescribed by rules made under this Act;

(d) "retail dealer" means any person who sells or keeps for sale motor spirit for the purpose of consumption by the person by whom or on whose behalf it is or may be purchased;

(e) "retail sale" means a sale of motor spirit by a retail dealer for the purpose of consumption by the person by whom or on whose behalf it is or may be purchased, and the expression "sell in retail" shall be construed accordingly; and

(f) "wholesale dealer" means any person who sells motor spirit, or keeps motor spirit for sale, to dealers in such spirit, for the purpose of trade.

Explanation.—A sale of motor spirit by a co-operative society, or a club, a firm or any association to one of its members for consumption is a

Payment of tax.

3. (1) Subject to the provisions of this Act, there shall be levied on all retail sales of motor spirit effected after the commencement of this Act, a tax **at the rate of one anna per gallon;**

* * * * *

and such tax shall be payable by the person effecting the sale:

Provided that the Chief Commissioner may from time to time by notification fix any other rate at which the tax shall be payable.

(2) No tax shall be levied under this Act on the sale of any motor spirit in respect of which such tax has already been paid.

Registration of wholesale and retail dealers.

4. (1) No person shall, after two months from the commencement of this Act, carry on business in motor spirit as a wholesale or retail dealer at any place in the Province unless he has been registered as such under this Act:

Provided that a wholesale dealer registered as such under a similar Act in force in any other Province shall, unless the Chief Commissioner otherwise directs, be deemed to have been registered under this Act.

Explanation.—Where a person has more than one place of business, whether in the same town or village or in different towns and villages, he shall get himself registered separately in respect of each such place of business.

(2) (a) No * * wholesale dealer shall, unless also registered as a retail dealer under this Act, sell motor spirit for consumption or sale in the Province to any person other than * * * a wholesale dealer or a retail dealer, registered as such under this Act.

(b) No retail dealer shall use or transfer for consumption any motor spirit stocked by him without its being included in his accounts and in the next return of retail sales submitted by him under section 5 (b).

(3) Application for registration as * * * a wholesale dealer or a retail dealer under this Act shall be made in such form and to such authority as may be prescribed.

(4) Registration may be made subject to such conditions, if any, as may be prescribed, including in the case of an applicant for registration as a retail dealer, the making of such deposit or the furnishing of such security as the registering authority may consider necessary to ensure the due payment of the tax which may from time to time be payable by him.

(5) No person including a company or firm registered as * * a wholesale dealer or a retail dealer, shall carry on the business of public transport requiring the use of motor spirit.

(6) Any registration under sub-section (1) may be suspended or cancelled by such authority, for such reasons, and in such manner, as may be

5. Every retail dealer in motor spirit shall in respect of each place where he carries on business—

Obligation of retail dealers to keep books of account and submit returns.

(a) keep books of account in the prescribed form; and

(b) submit every month to the District Magistrate and to such other officers as may be prescribed, a return in the prescribed form and before the prescribed date, showing—

(i) the quantity of motor spirit received by him during the preceding month;

(ii) the quantity sold by him during such month; and

(iii) such other particulars as may be prescribed.

6. Along with the return referred to in clause (b) of section 5, the retail dealer shall furnish a receipt from a Government treasury for the amount of the tax due in respect of the motor spirit sold by him in retail during the preceding month, according to the return.

Receipt for payment of tax to be furnished along with return.

7. (1) If no return is submitted by a retail dealer under clause (b) of section 5 in respect of any month before the date prescribed in that behalf, or if the return is submitted without a receipt for the full amount of the tax due as required by section 6, or if the return submitted appears to the District Magistrate to be incorrect or incomplete, the District Magistrate shall, after making such inquiry as he considers necessary, determine the amount of the tax due from such retail dealer in respect of such month and the amount so determined less the sum, if any, already paid by him shall be paid by the retail dealer into a Government treasury within fourteen days after demand is made therefor:

Determination of tax by District Magistrate in certain cases and recovery thereof.

Provided that before taking action under this sub-section, the retail dealer shall be given a reasonable opportunity of proving the correctness and completeness of his return.

(2) In default of payment within the period aforesaid, the amount of tax due shall be recovered from the person from whom the tax is due as if it were an arrear of land revenue.

8. Every wholesale dealer shall submit to the District Magistrate such returns in relation to his business in the Province as may be prescribed by the Chief Commissioner.

Obligation of wholesale dealers to submit returns.

9. (1) All accounts and vouchers relating to stocks, purchases, sales and deliveries of motor spirit kept by * wholesale dealers and retail dealers and the stocks of motor spirit with them shall be open to inspection by such officers as the Chief Commissioner may authorize in that behalf.

Powers of entry and inspection.

(2) Any such officer shall have power to enter, for purpose of such inspection, any building, vehicle or place where any wholesale dealer or retail dealer carries on business or keeps any stock of motor spirit.

10. Any person who—

Penalties.

(a) carries on business in motor spirit as * * a wholesale dealer or a retail dealer at any place without getting himself registered as required by sub-section (1) of section 4 or when his registration in respect of such place is not in force, or

(b) fails to keep books of account as required by clause (a) of section 5, * * * * or

(c) fails to submit any return as required by clause (b) of section 5 or by section 8 on or before the prescribed date, or submits an incorrect or incomplete return, or fails to submit a receipt for the full amount of the tax due as required by section 6, or

(d) fails to pay the tax due from him within the time allowed, or

(e) fraudulently evades the payment of any tax due under this Act, or

(f) acts in contravention of any of the provisions of this Act,

shall on conviction by a Magistrate of the first class, be liable to a fine which may extend to one thousand rupees and where the breach is a continuing one, to a further fine which may extend to fifty rupees for every day after the first during which the breach continues.

11. The motor spirit in respect of which an offence against this Act is committed and any receptacle in which such spirit is contained shall be liable to confiscation.

Motor spirit liable to confiscation in certain cases.

12. (1) When in any case tried by a Magistrate, the Magistrate decides that anything is liable to confiscation under section 11, he may, after hearing the person, if any, claiming any right thereto and the evidence, if any, which he produces in support of his claim, order confiscation or may give the owner an option to pay such fine as the Magistrate deems fit in lieu of confiscation.

Confiscation how ordered.

(2) When an offence against this Act has been committed but the offender is not known, or cannot be found, or when anything liable to confiscation under this Act and not in the possession of any person cannot be satisfactorily accounted for, the case shall be inquired into and determined by the prescribed officer who may order such confiscation:

Provided that no such order shall be made until the expiration of one month from the date of seizure of the things intended to be confiscated or without hearing the persons, if any, claiming any right thereto, and the evidence, if any, which they produce in support of their claims.

13. (1) Any officer specially empowered by the Chief Commissioner in this behalf may issue a warrant for the arrest of any person whom he has reason to believe to have committed an offence against this Act.

Issue of warrants for arrest.

(2) All warrants issued under this section shall be executed in accordance with the provisions of the Code of Criminal Procedure, 1898, by a police officer, or if the officer issuing the warrant deems fit, by any other person.

of 1898.

14. (1) Any officer specially empowered by the Chief Commissioner in this behalf may—

Power of entry and search without warrant.

(a) enter and search any building, * vehicle or place in which he has reason to believe that any motor spirit liable to confiscation under this Act is kept or concealed ;

(b) seize any motor spirit and any receptacle which he has reason to believe to be liable to confiscation under this Act ; and

(c) detain, search and arrest any person whom he has reason to believe to be guilty of any offence against this Act.

(2) The provisions of the Code of Criminal Procedure, 1898, relating to searches shall, so far as they are applicable, apply to searches, and the provisions of section 61 of the said Code to all arrests without warrant, made under this section.

of 1898.

15. Every officer under the control of the Chief Commissioner or employed by any local body shall be bound to give immediate information at the nearest police station or, if so required by any general or special order issued by the Chief Commissioner, to the nearest Excise officer of rank not below that of Sub-Inspector, of all breaches of any of the provisions of this Act which may come to his knowledge ; and all such officers shall be bound to take all reasonable measures in their power to prevent the commission of any such breaches which they may know or have reason to believe are about or likely to be committed.

Offences to be reported, etc.

16. (1) Every officer of the Excise, Police or Land Revenue Departments not below such ranks as may be prescribed, shall, within the area for which he is appointed, have power to investigate all offences against this Act.

Power of investigation.

(2) Every such officer shall, in the conduct of such investigation, exercise the powers conferred by the Code of Criminal Procedure, 1898, upon an officer in charge of a police station for the investigation of a cognizable offence :

V of 1898.

Provided that if such officer is of opinion that there is not sufficient evidence or reasonable ground of suspicion to justify the forwarding of an accused to a Magistrate, or that the person arrested may be discharged with a warning, such officer shall release him on his executing a bond, with or without sureties, to appear if and when so required before a Magistrate and shall make a full report of the case to the District Magistrate.

17. (1) All offences against this Act shall be bailable.

Offences to be bailable.

(2) Any officer empowered under section 16 shall have power to grant bail in accordance with the provisions of the Code of Criminal Procedure, 1898, to any person arrested without warrant for an offence against this Act.

V of 1898.

18. When anything has been seized by an officer exercising powers under section 16, such officer, after such inquiry as he considers necessary—

Procedure on seizure.

(a) if it appears that such thing is required as evidence in the case of any person arrested, shall forward the thing to the Magistrate to whom such person is forwarded or for his appearance before whom bail has been taken ;

(b) if it appears that such thing is liable to confiscation but is not required as evidence as aforesaid, shall send the thing with a report of the particulars of the seizure to the prescribed authority ; and

(c) if no offence appears to have been committed, shall return the thing to the person from whose possession it was taken and shall report to the prescribed authority accordingly.

19. (1) The prescribed authority may accept from any person who has committed or is reasonably suspected of having committed an offence against this Act, by way of composition of such offence—

Power to compound offences.

(a) where the offence consists of a sale of motor spirit in contravention of this Act or of the evasion of any tax payable under this Act, in addition to the tax payable by him under section 3, a sum of money not exceeding five hundred rupees or double the amount of the tax payable, whichever is greater, and

(b) in other cases, a sum of money not exceeding five hundred rupees.

(2) On the payment of such sum of money and the tax, if any, payable under section 3, to the prescribed authority, the accused person shall be discharged, the property seized, if any, shall be released and no further proceedings shall be taken against such person or property in respect of such offence.

20. (1) No Magistrate shall take cognizance of any offence against this Act—

Cognizance of offences.

(i) except upon the complaint or report of the District Magistrate or other prescribed authority, or

(ii) except upon his own knowledge or suspicion.

(2) Except with the sanction of the Chief Commissioner, no Magistrate shall take cognizance of any offence against this Act, unless the

prosecution is instituted within six months from the date on which the offence is alleged to have been committed:

Provided that nothing contained in this sub-section shall apply to any case governed by section 22.

Bar of certain proceedings

21. (1) No suit, prosecution or other proceeding shall lie against any officer or servant under the control of the Chief Commissioner, for any act done or purporting to be done under this Act, without the previous sanction of the Chief Commissioner.

(2) No officer or servant under the control of the Chief Commissioner shall be liable in respect of any such act in any civil or criminal proceeding, if the act was done in good faith in the course of the execution of duties or the discharge of functions imposed by or under this Act.

Limitation for certain suits and prosecutions.

22. No suit shall be instituted against the Crown and no suit, prosecution or other proceeding shall be instituted against any officer or servant under the control of the Chief Commissioner in respect of any act done or purporting to be done under this Act, unless the suit, prosecution or other proceeding is instituted within six months from the date of the act complained of.

Appeal.

23. (1) Any person aggrieved by any order passed under this Act, not being an order passed by any Court or Magistrate, may appeal—

(a) in case such order is passed by the District Magistrate to the Chief Commissioner, and

(b) in any other case to the District Magistrate.

(2) The appellate authority may, after giving the appellant an opportunity of being heard, pass such orders on the appeal as such authority thinks fit.

(3) Every order passed in appeal under this section shall, subject to the powers of revision conferred by section 24, be final.

Revision.

24. The Chief Commissioner may, at any time, call for and examine the record of any order passed by, or any proceedings recorded by, any officer or person under this Act, for the purpose of satisfying himself as to the legality or propriety of such order, or as to the regularity of such proceedings, and may pass such order in reference thereto as he thinks fit.

Nothing contained in this section shall apply to the orders or proceedings of any Court or Magistrate.

Power to make rules.

25. (1) The Chief Commissioner may make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(a) all matters expressly required or allowed by this Act to be prescribed;

(b) the regulation of the sale of motor spirit for the purpose of enforcing the provisions of this Act;

(c) the duties and powers of inspecting and other officers appointed or authorized to exercise any powers under this Act, and the procedure to be followed by such officers;

(d) the form in which, and the time within which, appeals under section 23 may be preferred; and

(e) any other matter for which there is no provision or no sufficient provision in this Act and for which provision is, in the opinion of the Chief Commissioner, necessary for giving effect to the purposes of this Act.

(3) In making a rule under sub-section (1) or sub-section (2), the Chief Commissioner may provide that a breach thereof shall be punishable with fine which may extend to one thousand rupees and, where the breach is a continuing one, with further fine which may extend to fifty rupees for every day after the first during which the breach continues.

(4) The power to make rules conferred by this section shall, except on the first occasion of the exercise thereof, be subject to the condition of the rules being made after previous publication for a period of not less than four weeks.

Publication of rules and notifications

26. All rules made and notifications issued under this Act shall be published in the official Gazette and upon such publication, shall have effect as if enacted in this Act.

Power to remove difficulties.

27. If any difficulty arises in giving effect to the provisions of this Act or the rules made thereunder, the Chief Commissioner may, as occasion may arise, by order, do anything which appears to him necessary for the purpose of removing the difficulty, and may if he thinks fit delegate any powers exercisable by him under the provisions thereof to the Commissioner.

1432—15-1-1940—120—RPB.

legality of such a change by a Select Committee involving an an addition to the list of commodities that were liable to the tax, a further amendment was moved by Mr. G.E.Walker as follow

> "motor spirit" means any substance which by itself or in ac mixture with other substances is ordinarily used directly indirectly to provide reasonably efficient fuel for automc or stationary internal combustion engines, and includes pe diesel oil and other internal combustion oils, but does nc include kerosene, furnace oil, coal or charcoal.

This was accepted by the Government and is the definition the Act. This is the definition adopted in our Bill.

On the definition, the Prime Minister said, "The grades of diesel oil which are available in the market and which will be available in the market after this taxation measure are numer and it is not a difficult thing for one kind of oil to be use for another which is not taxed." In the Council, he stated,". there are any number of grades of diesel iol that it is a fine slipping down from the dangerous, inflammable petroleum which is used in cars to a very crude oil which is used for runr stationary engines. ...When we tax one substance it is necess to tax like substances which could be made use of in order to evade or get rid of this burden of taxation." In other words, the various grades were included since they were all capable of being used to run engines. In this view, the Madras definition appears exhaustive. In Coorg they have adopted the Bombay definition, but they have excluded internal combustion oils for stationary engines and hence this departure.

Clause 3 (ii) This provides for the levy of the tax from an importer or wholsale dealer. But it is only on an agreemer and is optional. The Bihar Act has a similar provision.

Clause 4(5) This clause has been the subject of discussion by the Finance and Taxation Committee. This provision was in fact introduced by the Select Committee of Madras with the object of preventing evasions. In the Assembly the Prime Minister said, "I may explain at the same time that the subclause which appear to prohibit such business would not really prohibit it. All that a vendor has to do is to register the transport business as -

legality of such a change by a Select Committee involving an addition to the list of commodities that were liable to the tax, a further amendment was moved by Mr. G.E.Walker as follows:-

> "motor spirit" means any substance which by itself or in admixture with other substances is ordinarily used directly or indirectly to provide reasonably efficient fuel for automotiv or stationary internal combustion engines, and includes petro diesel oil and other internal combustion oils, but does not include kerosene, furnace oil, coal or charcoal.

This was accepted by the Government and is the definition in the Act. This is the definition adopted in our Bill.

On the definition, the Prime Minister said, "The grades of diesel oil which are available in the market and which will be available in the market after this taxation measure are numer and it is not a difficult thing for one kind of oil to be use for another, which is not taxed." In the Council, he stated,". there are any number of grades of diesel iol that it is a fine slipping down from the dangerous, inflammable petroleum which is used in cars to a very crude oil which is used for runn stationary engines. ...When we tax one substance it is necess to tax like substances which could be made use of in order to evade or get rid of this burden of taxation." In other words, the various grades were included since they were all capable of being used to run engines. In this view, the Madras defini tion appears exhaustive. In Coorg they have adopted the Bombay definition, but they have excluded internal combustion oils for stationary engines and hence this departure.

Clause 3 (ii) This provides for the levy of the tax from an importer or wholsale dealer. But it is only on an agreemen and is optional. The Bihar Act has a similar provision.

Clause 4(5) This clause has been the subject of discussion by the Finance and Taxation Committee. This provision was in fact introduced by the Select Committee in Madras with the object of preventing evasions. In the Assembly the Prime Minister said, "I may explain at the same time that the subclause which appear to prohibit such business would not really prohibit it. All th a vendor has to do is to register the transport

separate business."

Clause 20(a) In the Finance and Taxation Committee it was stated that "the words'whichever is greater' in this clause left no chance to the accused for compounding petty cases except on payment of Rs500/. The clause does not require the payment of Rs500/ in every case. What is stated is that a sum not exceeding Rs500/ or double the tax due (whichevr is greater) has to be paid.

Clause 22(2) and 23

This was also considered in the Finance and Taxation Committee, where it was represented that it would work as a hardship if time taken by Government to accord sanction was not excluded. 21(2) does not apply tocases under 23. 21(2) applies only to proceedings against private persons. Under 23 the proceedings are against Government officers or servants and in certain cases previous sanction of Governme would be necessary. It is therefore for orders whether a proviso excluding such time is not necessary.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. P 6765 – 73 Dated, Bangalore, 15th April 1940

Official Memorandum.

A meeting of the Select Committee appointed to consider the Sale of Motor Spirit Taxation Bill will be held in the Chambers of the Finl Member of Council, Public Offices Buildings, Bangalore at 2pm on Sunday the 27th April 1940

By Order,

Secretary to the Committee.

To Members of the Committee

Copy to PA to Hon'ble Member
OS for kind) arranging seats & Chairs
RA & AC Office

1. Abdul Wajid
2. Mahomed Abbas Khan
3. V Ramaswamy
4. C Rajavardanalao
5. C K Koranna
6. H Linganna
7. M C Linganna
8. A Rajavardan

Government of His Highness the Maharaja of Mys

General and Revenue Secretariat.

No.P. 6765-73/ Legis. Dated Bangalore the 15th April 194

Official Memorandum.

A meeting of the Select Committee appointed to consider the Mysore Sales of Motor Spirit Taxation Bill will be held in the Chambers of the First Member of Council, Public Offices Buildings, Bangalore at 2 P.M. on Saturday the 27th April 1940.

By Order,

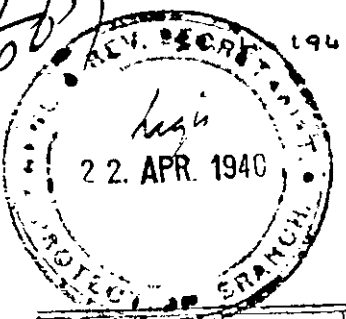
M. K. Sharada
Secretary to the Committee.

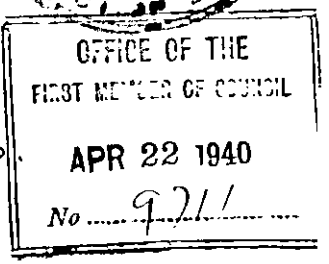
The Members of the Committee.

M. C. LINGE GOWDA, M.L.C.,
MADDUR.

6999 P 29

1940.





To

The Secretary
Motor Spirit Taxation Bill
Select Committee,
Bangalore.

Ref. No. P 6765-73 Legis. dated 15.4.40.

Dear Sir

I shall not be able to attend the Select Committee meeting on 27.4.40 as I am very busy with the Dist. Board Election Campaign. Kindly excuse my absence.

Yours faithfully,
M C Linge Gowda

JLW 21/4

Submitted to Member

MLL 26/4/40

Hm 26/4.

JLW 26/4

MYSORE SALES OF MOTOR SPIRIT TAXATION BILL.

MEMBERS OF THE SELECT COMMITTEE.

Meeting held on 27th April 1940.

at 2 P.M.

FIRST MEMBER OF COUNCIL (Chairman)

Rukn-ul-Mulk S.Abdul Wajid ✓

Rajasevaprasakta A.V. Ramanathan ✓

Mr. Charles Naronha. ✓

Mr. A.N.Raghavachar ✓

Mr. M.C.Linge Gowda A

Mr. B.R.Puttananjappa ✓

Khan Bahadur Mahomed Abbas Khan ✓

Rajacharitavisharada Rao Sahib C.Hayavadana Rao. ✓

Mr. H.Lingappa. ✓

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Bangalore, Dated, 4th May 1940.

No. P.1/453

From

The *Secretary to the Government of His Highness the Maharaja of Mysore.*

Law Department.

To

The Secretary to the Hon'ble the Resident in Mysore,
Bangalore.

SUBJECT: Tax on retail sales of Petrol.

Sir,

I am directed to state that information on the following points on the working of the Madras Sales of Motor Spirit Taxation Act, is required for reference in connection with similar legislation here pending before the Mysore Legislative Council:-

1. Whether petrol consumed by a wholesale dealer or importer is subject to tax under the Act and if so under what provision of it.

2. Whether the period of 6 months specified in Section 23 of the Act excludes the period taken by Government to accord sanction under Section 22.

I am to request that, if there is no objection, the information required may be kindly obtained from the Madras Government very early together with any rules, notifications or orders that may have been passed in this connection.

I have the honor to be,
Sir,
Your most obedient servant,

4/5

Secretary to Government,
Law Department.

SR/2

Rol/453
4 May 1940

The Secretary to the Hon'ble the Resident
in Mysore, Bangalore.

TAX ON RETAIL SALES OF PETROL.

Sir,

I am directed to state that information on the following points on the working of the Madras Sales of Motor Spirit Taxation Act, is required for reference in connecti with similar legislation here pending befo the Mysore Legislative Council. -

1. Whether petrol consumed by a wholesale dealer or importer is subject to tax under the Act and if so under what provisi of it.

2. Whether the period of 6 months specified in section 23 of the Act exclu the period taken by Government to accord sanction under section 22.

I am to request that if there is no objection, the information ~~wanted~~ required may be kindly obtained from the Madras Governme very early together with any rules, noti cations or orders that may have been pas in this connection.

I have etc.,

3/5

Secretary to Government
~~of~~ Law Department

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated, Bangalore, 17th May 1940.

No. Po 1516

From

The ~~Chief~~ Secretary to the Government of His Highness
the Maharaja of Mysore.
Law Department

To

The Secretary to the Hon'ble the Resident in Mysore.

Sir,

TAX ON RETAIL SALES OF PETROL.

I am directed to invite reference to this Office letter No.Po. 1453 dated 4th May 1940 on the above subject and to request that the information wanted therein may kindly be furnished very early.

I have the honor to be,

Sir,

Your most obedient servant,

For Secretary to Government
Law Department.

Government of His Highness the Maharaja of Mysore.

General and Revenue Secretariat.

No.P.7531-8 Dated Bangalore the 27th May 1940.

Dear Sir,

I am desired to send herewith a copy of the Select Committee Report on the Mysore Sales of Motor Spirit Taxation Bill and to request you to kindly return the same with your approval thereon by return of post.

Yours sincerely,

M. K. Varadaraj ge

Government of His Highness the Maharaja of Mysore.

General and Revenue Secretariat.

No.P.7531/8 Dated Bangalore the 27th May 1940.

Dear Sir,

I am desired to send herewith a copy of the Select Committee Report on the Mysore Sales of Motor Spirit Taxation Bill and to request you to kindly return the same with your approval thereon by return of post.

Yours sincerely,

28/5

To

The Members of the Committee.

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE

Dated Bangalore, the 3rd June 1940.

F.50-39/Judl. Rec. 1.

A copy of the undermentioned paper is forwarded with compliments to the Secretary to the Government of His Highness the Maharaja of Mysore, Law Department, Bangalore, with reference to his letter No. Pol.1453, dated the 4th May 1940.

By order, etc.,

for SECRETARY TO THE RESIDENT.

Letter from the Government of Madras, No.1475-D/40-2, dated the 28th May 1940, (with enclosure in original).

Letter from the Government of Madras, No.1475-D/40-2 dated the 28th May 1940.

---:0:--

Tax - The Madras Sales of Motor Spirit Taxation Act, 1939 - Levy of tax on petrol consumed by wholesale dealers and importers - Interpretation of section 23 of the Act.
Your letter No.F.50-39/Judl., dated 9th May 1940.

I am directed to furnish the following information with reference to paragraph 1 of your letter

Point (1). Under Section 3(1) of the Madras Sales of Motor Spirit Taxation Act, 1939, the tax is leviable only on retail sales as defined in Section 2(g) of the Act. Petrol consumed by wholesale dealers and importers is not subject to tax under the Act. as such consumption is not a retail sale as defined in the Act. In this connection attention may be invited to Section 4(5) of the Act.

Point (2). The period of six months specified in Section 23 runs from the date of the Act complained of. The time taken for obtaining the Government's sanction referred to in Section 22 cannot be excluded in calculating the said period of six months.

2. With reference to paragraph 2 of your letter quoted above, I am to forward a copy of a pamphlet containing the Act and the rules framed thereunder

---:0:---

"C O P Y"

SUPERINTENDENT, RESIDENT'S OFFICE.

GOVERNMENT OF MADRAS

LEGAL DEPARTMENT

THE MADRAS SALES OF MOTOR SPIRIT TAXATION ACT, 1939 (MADRAS ACT No. VI OF 1939), AND THE RULES MADE THEREUNDER.

MADRAS :
PRINTED BY THE SUPERINTENDENT, GOVERNMENT PRESS

1939

E, 2 annas]

REFERENCES TO PAPERS CONNECTED WITH THE ACT IN ITS BILL STAGES.

[For Statement of Objects and Reasons, see *Fort St. George Gazette*, Part IV, dated 7th February 1939, pages 34-35; for proceedings in Assembly, see Madras Legislative Assembly Debates, Volume X, No. 1, dated 20th February 1939, pages 69-92; for the Report of the Select Committee, see ibid., No. 5, dated 25th February 1939, pages 466-481; for proceedings in Assembly, see ibid., No. 5, dated 25th February 1939, pages 400-458; for proceedings in Council, see Madras Legislative Council Debates, Volume VII, No. 5, dated 3rd March 1939, pages 181-194.]

THE MADRAS SALES OF MOTOR SPIRIT TAXATION ACT, 1939.

(MADRAS ACT No. VI OF 1939.)

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[Printed under the authority of the Governor of Madras by the Superintendent, Government Press, Madras.]

GOVERNMENT OF MADRAS.

LEGAL DEPARTMENT.

THE MADRAS SALES OF MOTOR SPIRIT TAXATION ACT, 1939

(MADRAS ACT No. VI OF 1939.)

PASSED BY THE MADRAS LEGISLATURE.

[*Received the assent of the Governor on the 20th March 1939; first published in the "Fort St. George Gazette" on the 21st March 1939.*]

An Act to provide for the levy of a tax on retail sales of motor spirit in the Province of Madras.

[21st March 1939.]

WHEREAS it is expedient to provide for the levy of a tax on retail sales of motor spirit in the Province of Madras; It is hereby enacted as follows :—

Short title, extent and commencement.

1. (1) This Act may be called the Madras Sales of Motor Spirit Taxation Act, 1939.

(2) It extends to the whole of the Province of Madras.

(3) This section shall come into force at once, and the rest of this Act shall come into force on such date as the Provincial Government may, by notification in the Official Gazette, appoint.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context—

(*a*) "Government treasury" means a treasury or sub-treasury of the Provincial Government and includes any office, branch or agency of the Reserve Bank of India, transacting treasury business for the Provincial Government;

(*b*) "importer" means any person who imports motor spirit into British India;

(*c*) " motor spirit " means any substance which by itself or in admixture with other substances is ordinarily used directly or indirectly to provide reasonably efficient fuel for automotive or stationary internal combustion engines, and includes petrol, diesel oil and other internal combustion oils, but does not include kerosene, furnace oil, coal or charcoal ;

(*d*) " petrol " means dangerous petroleum as defined in the Petroleum Act, 1934 ; XXX of 1934.

(*e*) " prescribed " means prescribed by rules made under this Act ;

(*f*) " retail dealer " means any person who sells or keeps for sale motor spirit for the purpose of consumption by the person by whom or on whose behalf it is or may be purchased ;

(*g*) " retail sale " means a sale of motor spirit by a retail dealer for the purpose of consumption by the person by whom or on whose behalf it is or may be purchased, and the expression " sell in retail " shall be construed accordingly ; and

(*h*) " wholesale dealer " means any person who sells motor spirit, or keeps motor spirit for sale, to dealers in such spirit, for the purpose of trade.

Explanation.—A sale of motor spirit by a co-operative society, or a club, a firm or any association to one of its members for consumption is a retail sale within the meaning of clause (*g*).

nt of 3. (1) Subject to the provisions of this Act, there shall be levied on all retail sales of motor spirit effected after the commencement of this Act, a tax

in the case of petrol,—at the rate of one anna and six pies per gallon, and

in the case of any motor spirit other than petrol,—at the rate of six pies per gallon ;

and such tax shall be payable by the person effecting the sale :

Provided that the Provincial Government may from time to time by notification fix any other rate at which the tax shall be payable :

Provided further that no such notification shall come into force until approved by a resolution of the Legislative Assembly.

(2) Where any retail dealers obtain their supplies of motor spirit from an importer or a wholesale dealer, it shall be open to the Provincial Government, by agreement with the importer or wholesale dealer, to levy from him in advance the tax which may be payable by the retail dealers under sub-section (1) on the sale by them of the motor spirit and the provisions of this Act relating to the assessment and recovery of tax shall, subject to such conditions as may be agreed upon, apply to the importer or wholesale dealer accordingly.

(3) No tax shall be levied under this Act on the sale of any motor spirit in respect of which such tax has already been paid.

Registration of importers and dealers.

4. (1) No person shall, after the commencement of this Act, carry on business in motor spirit as an importer or as a wholesale or retail dealer at any place in the Province unless he has been registered as such under this Act :

Provided that persons carrying on business at the commencement of this Act shall be allowed two months from such commencement to get themselves registered under this Act.

Explanation.—Where a person has more than one place of business, whether in the same town or village or in different towns and villages, he shall get himself registered separately in respect of each such place of business.

(2) (*a*) No importer or wholesale dealer shall, unless also registered as a retail dealer under this Act, sell motor spirit for consumption or sale in the Province to any person other than an importer or a wholesale dealer or a retail dealer, registered as such under this Act.

(*b*) No retail dealer shall use or transfer for consumption any motor spirit stocked by him without its being included in his accounts and in the next return of retail sales submitted by him under section 5 (*b*).

(3) Application for registration as an importer or a wholesale dealer or a retail dealer under this Act shall be made in such form and to such authority as may be prescribed.

(4) Registration may be made subject to such conditions, if any, as may be prescribed, including in the case of an applicant for registration as a retail dealer, the making of such deposit or the furnishing of such security as the registering authority may consider necessary to ensure the due payment of the tax which may from time to time be payable by him.

(5) No person including a company or firm registered as an importer, a wholesale dealer or a retail dealer, shall carry on the business of public transport requiring the use of motor spirit.

(6) Any registration under sub-section (1) may be suspended or cancelled by such authority, for such reasons, and in such manner, as may be prescribed.

Obligation of retail dealers to keep books of account and submit returns.

5. Every retail dealer in motor spirit shall in respect of each place where he carries on business—

(*a*) keep books of account in the prescribed form ; and

(*b*) submit every month to the District Collector and to such other officers as may be prescribed, a return in the prescribed form and before the prescribed date, showing—

(i) the quantity of motor spirit received by him during the preceding month ;

(ii) the quantity sold by him during such month ; and

(iii) such other particulars as may be prescribed.

Receipt for payment of tax to be furnished along with return.

6. Along with the return referred to in clause (*b*) of section 5, the retail dealer shall furnish a receipt from a Government treasury for the amount of the tax due in respect of the motor spirit sold by him in retail during the preceding month, according to the return.

Determination of tax by District Collector in certain cases and recovery thereof.

7. (1) If no return is submitted by a retail dealer under clause (*b*) of section 5 in respect of any month before the date prescribed in that behalf, or if the return is submitted without a receipt for the full amount of the tax due as required by section 6, or

Provided further that no such notification shall come into force until approved by a resolution of the Legislative Assembly.

(2) Where any retail dealers obtain their supplies of motor spirit from an importer or a wholesale dealer, it shall be open to the Provincial Government, by agreement with the importer or wholesale dealer, to levy from him in advance the tax which may be payable by the retail dealers under sub-section (1) on the sale by them of the motor spirit and the provisions of this Act relating to the assessment and recovery of tax shall, subject to such conditions as may be agreed upon, apply to the importer or wholesale dealer accordingly.

(3) No tax shall be levied under this Act on the sale of any motor spirit in respect of which such tax has already been paid.

Registration of importers and dealers.

4. (1) No person shall, after the commencement of this Act, carry on business in motor spirit as an importer or as a wholesale or retail dealer at any place in the Province unless he has been registered as such under this Act :

Provided that persons carrying on business at the commencement of this Act shall be allowed two months from such commencement to get themselves registered under this Act.

Explanation.—Where a person has more than one place of business, whether in the same town or village or in different towns and villages, he shall get himself registered separately in respect of each such place of business.

(2) (*a*) No importer or wholesale dealer shall, unless also registered as a retail dealer under this Act, sell motor spirit for consumption or sale in the Province to any person other than an importer or a wholesale dealer or a retail dealer, registered as such under this Act.

(*b*) No retail dealer shall use or transfer for consumption any motor spirit stocked by him without its being included in his accounts and in the next return of retail sales submitted by him under section 5 (*b*).

if the return submitted appears to the District Collector to be incorrect or incomplete, the District Collector shall, after making such inquiry as he considers necessary, determine the amount of the tax due from such retail dealer in respect of such month and the amount so determined less the sum, if any, already paid by him shall be paid by the retail dealer into a Government treasury within fourteen days after demand is made therefor:

Provided that before taking action under this sub-section, the retail dealer shall be given a reasonable opportunity of proving the correctness and completeness of his return.

(2) In default of payment within the period aforesaid, the amount of tax due shall be recovered from the person from whom the tax is due as if it were an arrear of land revenue.

Obligation of importers and wholesale dealers to keep books of account and submit returns.

8. Every importer or wholesale dealer, shall—

(*a*) keep books of accounts in the prescribed form; and

(*b*) submit every month to the District Collector and to such other officers as may be prescribed, a return in the prescribed form and before the prescribed date, showing—

(i) the quantity of motor spirit received by him in the preceding month,

(ii) the quantities of motor spirit supplied by him during such month to other importers, wholesale dealers or retail dealers, specifying the name and address of each importer, wholesale dealer or retail dealer, the quantities supplied to him, and the dates on which the supplies were made, and

(iii) such other particulars as may be prescribed.

Powers of entry and inspection.

9. (1) All accounts and vouchers relating to stocks, purchases, sales and deliveries of motor spirit kept by importers, wholesale dealers and retail dealers and the stocks of motor spirit with them shall be open to inspection by such officers as the Provincial Government may authorize in that behalf.

(2) Any such officer shall have power to enter and search any building, vessel, vehicle or place where any importer, wholesale dealer, or retail dealer carries on business or keeps any stock of motor spirit.

Penalties.

10. Any person who—

(*a*) carries on business in motor spirit as an importer, a wholesale dealer or a retail dealer at any place without getting himself registered as required by sub-section (1) of section 4 or when his registration in respect of such place is not in force, or

(*b*) fails to keep books of account as required by clause (*a*) of section 5 or of section 8, or

(*c*) fails to submit any return as required by clause (*b*) of section 5 or of section 8 on or before the prescribed date, or submits an incorrect or incomplete return, or fails to submit a receipt for the full amount of the tax due as required by section 6, or

(*d*) fails to pay the tax due from him within the time allowed, or

(*e*) fraudulently evades the payment of any tax due under this Act, or

(*f*) acts in contravention of any of the provisions of this Act,

shall on conviction by a Presidency Magistrate or a Magistrate of the first class, be liable to a fine which may extend to one thousand rupees and where the breach is a continuing one, to a further fine which may extend to fifty rupees for every day after the first during which the breach continues.

Motor spirit liable to confiscation in certain cases.

11. The motor spirit in respect of which an offence against this Act is committed and any receptacle in which such spirit is contained shall be liable to confiscation.

Confiscation how ordered.

12. (1) When in any case tried by a Magistrate, the Magistrate decides that anything is liable to confiscation under section 11, he may, after hearing the person, if any, claiming any right thereto and the evidence, if any, which he produces in support of his claim, order confiscation' or may give the owner an option to pay such fine as the Magistrate deems fit in lieu of confiscation.

(2) When an offence against this Act has been committed but the offender is not known, or cannot be found, or when anything liable to confiscation under this Act and not in the possession of any person

Penalties.

10. Any person who—

(*a*) carries on business in motor spirit as an importer, a wholesale dealer or a retail dealer at any place without getting himself registered as required by sub-section (1) of section 4 or when his registration in respect of such place is not in force, or

(*b*) fails to keep books of account as required by clause (*a*) of section 5 or of section 8, or

(*c*) fails to submit any return as required by clause (*b*) of section 5 or of section 8 on or before the prescribed date, or submits an incorrect or incomplete return, or fails to submit a receipt for the full amount of the tax due as required by section 6, or

(*d*) fails to pay the tax due from him within the time allowed, or

(*e*) fraudulently evades the payment of any tax due under this Act, or

(*f*) acts in contravention of any of the provisions of this Act,

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(2) When an offence against this Act has been committed but the offender is not known, or cannot be found, or when anything liable to confiscation under this Act and not in the possession of any person

if the return submitted appears to the District Collector to be incorrect or incomplete, the District Collector shall, after making such inquiry as he considers necessary, determine the amount of the tax due from such retail dealer in respect of such month and the amount so determined less the sum, if any, already paid by him shall be paid by the retail dealer into a Government treasury within fourteen days after demand is made therefor :

Provided that before taking action under this sub-section, the retail dealer shall be given a reasonable opportunity of proving the correctness and completeness of his return.

(2) In default of payment within the period aforesaid, the amount of tax due shall be recovered from the person from whom the tax is due as if it were an arrear of land revenue.

Obligation of importers and wholesale dealers to keep books of account and submit returns.

8. Every importer or wholesale dealer, shall—

(*a*) keep books of accounts in the prescribed form ; and

(*b*) submit every month to the District Collector and to such other officers as may be prescribed, a return in the prescribed form and before the prescribed date, showing—

(i) the quantity of motor spirit received by him in the preceding month,

(ii) the quantities of motor spirit supplied by him during such month to other importers, wholesale dealers or retail dealers, specifying the name and address of each importer, wholesale dealer or retail dealer, the quantities supplied to him, and the dates on which the supplies were made, and

(iii) such other particulars as may be prescribed.

Powers of entry and inspection.

9. (1) All accounts and vouchers relating to stocks, purchases, sales and deliveries of motor spirit kept by importers, wholesale dealers and retail dealers and the stocks of motor spirit with them shall be open to inspection by such officers as the Provincial Government may authorize in that behalf.

(2) Any such officer shall have power to enter and search any building, vessel, vehicle or place where any importer, wholesale dealer, or retail dealer carries on business or keeps any stock of motor spirit.

cannot be satisfactorily accounted for, the case shall be inquired into and determined by the prescribed officer who may order such confiscation :

Provided that no such order shall be made until the expiration of one month from the date of seizure of the things intended to be confiscated or without hearing the persons, if any, claiming any right thereto, and the evidence, if any, which they produce in support of their claims.

Issue of warrants for arrest.

13. (1) Any officer of the Provincial Government specially empowered by them in this behalf may issue a warrant for the arrest of any person whom he has reason to believe to have committed an offence against this Act.

(2) All warrants issued under this section shall be executed in accordance with the provisions of the Code of Criminal Procedure, 1898, by a police officer, or if the officer issuing the warrant deems fit, by any other person.

Power of entry and search without warrant.

14. Any officer of the Provincial Government specially empowered by them in this behalf may—

(*a*) enter and search any building, vessel, vehicle or place in which he has reason to believe that any motor spirit liable to confiscation under this Act is kept or concealed ;

(*b*) seize any motor spirit and any receptacle which he has reason to believe to be liable to confiscation under this Act ; and

(*c*) detain, search and arrest any person whom he has reason to believe to be guilty of any offence against this Act.

Procedure for arrest without warrant.

15. The provisions of section 61 of the Code of Criminal Procedure, 1898, shall apply to all arrests without warrant made under section 14.

V of 1898.

Offences to be reported, etc.

16. Every officer employed by the Provincial Government or by any local body shall be bound to give immediate information at the nearest police station or, if so, required by any general or special order issued by the Provincial Government, to the nearest Excise officer of rank not below that of Sub-Inspector, of all breaches of any of the provisions of this Act which may come to his knowledge ; and all such officers shall be bound to take all reasonable measures in their power

to prevent the commission of any such breaches which they may know or have reason to believe are about or likely to be committed.

ower of in-
stigation.

17. (1) Every officer of the Excise, Police or Land Revenue Departments not below such rank as may be prescribed, shall, within the area for which he is appointed, have power to investigate all offences against this Act.

(2) Every such officer shall, in the conduct of such investigation, exercise the powers conferred by the Code of Criminal Procedure, 1898, upon an officer in charge of a police station for the investigation of a cognizable offence : V of 1898.

Provided that if such officer is of opinion that there is not sufficient evidence or reasonable ground of suspicion to justify the forwarding of an accused to a Magistrate, or that the person arrested may be discharged with a warning, such officer shall release him on his executing a bond, with or without sureties, to appear if and when so required before a Magistrate and shall make a full report of the case to the District Collector.

ences to
bailable.

18. (1) All offences [illegible] this Act shall be bailable.

(2) Any officer empowered under section 17 shall have power to grant bail in accordance with the provisions of the Code of Criminal Procedure, 1898, to any person arrested without warrant for an offence against this Act. V of 1898.

Procedure
on seizures.

19. When anything has been seized by an officer exercising powers under section 17, such officer, after such inquiry as he considers necessary

(*a*) if it appears that such thing is required as evidence in the case of any person arrested, shall forward the thing to the Magistrate to whom such person is forwarded or for his appearance before whom bail has been taken ;

(*b*) if it appears that such thing is liable to confiscation but is not required as evidence as aforesaid, shall send the thing with a report of the particulars of the seizure to the prescribed authority ; and

(*c*) if no offence appears to have been committed, shall return the thing to the person from whose possession it was taken and shall report to the prescribed authority accordingly.

Power to compound offences.

20. (1) The prescribed authority may accept from any person who has committed or is reasonably suspected of having committed an offence against this Act, by way of composition of such offence—

(*a*) where the offence consists of a sale of motor spirit in contravention of this Act or of the evasion of any tax payable under this Act, in addition to the tax payable by him under section 3, a sum of money not exceeding five hundred rupees or double the amount of the tax payable, whichever is greater and

(*b*) in other cases, a sum of money not exceeding five hundred rupees.

(2) On the payment of such sum of money and the tax, if any, payable under section 3, to the prescribed authority, the accused person shall be discharged, the property seized, if any, shall be released and no further proceedings shall be taken against such person or property in respect of such offence.

Cognizance of offences.

21. (1) No Magistrate shall take cognizance of any offence against this Act—

(i) except upon the complaint or report of the District Collector or other prescribed authority, or

(ii) except upon his own knowledge or suspicion.

(2) Except with the sanction of the Provincial Government, no Magistrate shall take cognizance of any offence against this Act, unless the prosecution is instituted within six months from the date on which the offence is alleged to have been committed :

Provided that nothing contained in this subsection shall apply to any case governed by section 23.

Bar of certain proceedings.

22. (1) No suit, prosecution or other proceeding shall lie against any officer or servant of the Provincial Government, for any act done or purporting to be done under this Act, without the previous sanction of the Provincial Government.

(2) No officer or servant of the Provincial Government shall be liable in respect of any such act in any civil or criminal proceeding, if the act was done in good faith in the course of the execution of duties or the discharge of functions imposed by or under this Act.

Limitation for certain suits and prosecutions.

23. No suit shall be instituted against the Crown and no suit, prosecution or other proceeding shall be instituted against any officer or servant of the Provincial Government in respect of any act done or purporting to be done under this Act, unless the suit, prosecution or other proceeding is instituted within six months from the date of the act complained of.

Appeal.

24. (1) Any person aggrieved by any order passed under this Act, not being an order passed by any Court or Magistrate, may appeal—

(*a*) in case such order is passed by a District Collector, to the Board of Revenue, and

(*b*) in any other case, to the District Collector.

(2) The appellate authority may, after giving the appellant an opportunity of being heard, pass such orders on the appeal as such authority thinks fit.

(3) Every order passed in appeal under this section shall, subject to the powers of revision conferred by section 25, be final.

Revision.

25. The Board of Revenue may, at any time, call for and examine the record of any order passed by, or any proceedings recorded by, any officer or person under this Act, for the purpose of satisfying itself as to the legality or propriety of such order, or as to the regularity of such proceedings, and may pass such order in reference thereto as it thinks fit.

Nothing contained in this section shall apply to the orders or proceedings of any Court or Magistrate.

Power to make rules.

26. (1) The Provincial Government may make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(*a*) all matters expressly require or allowed by this Act to be prescribed ;

(*b*) the regulation of the sale of motor spirit for the purpose of enforcing the provisions of this Act ;

(*c*) the duties and powers of inspecting and other officers appointed or authorized to exercise any powers under this Act, and the procedure to be followed by such officers ;

(*d*) the form in which, and the time within which, appeals under section 24 may be preferred ; and

(*e*) any other matter for which there is no provision or no sufficient provision in this Act and for which provision is, in the opinion of the Provincial Government, necessary for giving effect to the purposes of this Act.

(3) In making a rule under sub-section (1) or -section (2), the Provincial Government may pro- e that a breach thereof shall be punishable with which may extend to one thousand rupees and, ere the breach is a continuing one, with further fine ich may extend to fifty rupees for every day after first during which the breach continues.

(4) The power to make rules conferred by this tion shall, except on the first occasion of the exercise ereof, be subject to the condition of the rules being made after previous publication for a period of not less than four weeks.

Publication of rules and notifications.

27. All rules made and notifications issued under this Act shall be published in the Official Gazette and upon such publication, shall have effect as if enacted in this Act.

Power to remove difficulties.

28. If any difficulty arises in giving effect to the provisions of this Act or the rules made thereunder, the Provincial Government may, as occasion may arise, by order, do anything which appears to them necessary for the purpose of removing the difficulty.

THE MADRAS SALES OF MOTOR SPIRIT TAXATION RULES, 1939.

In exercise of the powers conferred by section 26 of the Madras Sales of Motor Spirit Taxation Act, 1939 (Madras Act VI of 1939), His Excellency the Governor of Madras is hereby pleased to make the following rules :—

RULES.

1. These rules may be called " The Madras Sales of Motor Spirit Taxation Rules, 1939."

2. They shall come into force on the 1st April 1939.

3. In these rules, unless there is anything repugnant in the subject or context—

(*a*) " the Act " means the Madras Sales of Motor Spirit Taxation Act, 1939;

(*b*) " Form " means a Form appended to these rules;

(*c*) " Government " means the Government of Madras;

(*d*) " manager " or " agent " means the person expressly or impliedly authorized by the dealer to act as his manager or agent for all or any of the purpose under these rules subject to the approval of such authorization by the registering authority;

(*e*) " month " means a calendar month;

(*f*) " registering authority " means the Collector of the district or any other officer specially empowered in this behalf by the Government;

(*g*) " registration certificate " means the certificate granted on the registration of a person as an importer wholesale dealer or retail dealer under the provisions of the Act;

(*h*) " section " means a section of the Act; and

(*i*) " tax " means the tax payable under the Act.

4. The Board of Revenue shall, subject to the control of the Government, superintend the administration and collection of the tax.

5. The Collector of the district shall carry out the provisions of the Act subject to the control and direction of the Board of Revenue and the orders of the Government.

6. All officers discharging functions under the Act or any rule or order made thereunder shall be subject to the control of the Collector of the district.

7. A person who desires to be registered as an importer or wholesale dealer or as a retail dealer shall apply in Form A or Form B as the case may be to the registering authority of the district in which his place of business is situated. Separate applications shall be necessary for the registration of the same person in more than one of the above capacities.

8. (1) The registering authority may require an applicant for registration as a retail dealer to deposit in a Government treasury an amount which in the opinion of the registering authority will be equivalent to the tax payable by the retail dealer on the estimated average quantity of motor spirit expected to be sold by him in a month and the applicant shall thereupon deposit the amount and forward to the registering authority the receipt granted by the Government treasury.

(2) If at any time it is found that the actual average quantity of motor spirit sold by the retail dealer exceeds the estimated average, it shall be open to the registering authority by notice to require the retail dealer to make within the time specified therein an additional deposit so as to make the total deposit equivalent to the tax payable on such actual average.

(3) If at any time it is found that the actual average quantity of motor spirit sold by the retail dealer is below the estimated average, the registering authority shall refund so much of the deposit as is in excess of the tax payable on such actual average.

9. The registering authority may, in lieu of the deposit referred to in rule 8, accept a mortgage of the applicant's immovable property of sufficient value, or such other security as he may consider sufficient and suitable, to ensure the due realization of the tax which may from time to time be payable by him. If a mortgage of immovable property is accepted as security, the mortgage-deed shall be executed in favour of the Crown and shall expressly confer on the Crown a power of sale without the intervention of the Court.

10. The registering authority shall grant a registration certificate in Form C to every person who is registered as an importer or wholesale dealer and in Form D to every person who is registered as a retail dealer. Such certificate shall be held subject to the provisions of the Act and the rules made thereunder and to the restrictions and conditions specified in the certificate.

11. A registration certificate granted under these rules may, on the application of the person to whom it was granted, be amended by the registering authority, but no such amendment shall be inconsistent with the provisions of the Act or the rules made thereunder. Every application for amendment of the certificate shall specify the nature of the amendment required and the reasons therefor.

12 Every registration certificate shall be granted or amended free of charge.

13. Every order of the registering authority refusing grant or amend a registration certificate shall be in writ... and shall state the reasons for such refusal. A copy of suc order shall be communicated to the applicant.

14. (1) The registering authority may by order suspei or cancel a registration certificate if the holder thereof—

(*a*) fails to pay the tax or any other amount payab under the Act; or

(*b*) maintains false accounts; or

(*c*) submits false returns; or

(*d*) fraudulently evades the payment of the tax;

(*e*) obstructs any officer in the discharge of his du under the Act or the rules made thereunder; or

(*f*) has ceased to carry on the business or has sold transferred the business; or

(*g*) fails to deposit additional security required under rule 8; or

(*h*) infringes any of the provisions of the Act or the rules made thereunder.

(2) Every order of the registering authority suspending or cancelling a registration certificate shall be in writing and shall state the reasons for the suspension or cancellation. A copy of such order shall be communicated to the holder of the certificate and to the importers and registered dealers from whom he has been receiving motor spirit.

15. (1) Every registration certificate granted under these rules shall be deemed to have been granted personally to the importer, wholesale dealer or retail dealer specified therein. No registration certificate shall be sold or transferred.

(2) If the holder of a registration certificate enters into partnership in regard to the business covered by the certificate, he shall send a report of the same to the registering authority within thirty days of his entering into such partnership and shall also get his registration certificate suitably amended. Where a partnership is entered into the partner as well as the original holder of the certificate shall be bound by the conditions of the certificate and shall be responsible for the payment of the tax.

(3) If a partnership is dissolved every person who was a partner shall send a report of the same to the registering authority within thirty days of such dissolution.

16. Where the holder of a registration certificate dies or becomes insolvent or mentally incapable or is otherwise disabled, any person carrying on the business of such holder

shall not be liable to any penalty or confiscation under the Act or these rules for carrying on the business if such person applies for the grant to him of a registration certificate within a period of two months from the date on which he commenced to carry on the business of the original holder.

17. Where a registration certificate granted under these rules is lost or accidentally destroyed, a duplicate of the certificate may be granted on payment of a fee of one rupee.

18. (1) The registration certificate shall be exhibited in a conspicuous place at the premises where business covered by it is carried on.

(2) Every person holding or acting under a registration certificate granted under these rules shall produce the certificate or an authenticated copy of it for inspection when called upon to do so by an officer duly empowered in this behalf by the District Collector.

(3) Copies of any registration certificate may, for the purpose of this rule, be authenticated free of charge by the registering authority.

19. The amount of tax due in respect of the motor spirit sold in every month shall be paid into a Government treasury before the 25th day of the succeeding month.

20. (1) Every retail dealer who is not also a registered importer or wholesale dealer shall keep true and correct accounts in Form E of all daily transactions in motor spirit. The accounts for each day shall be made up and totalled before noon of the following day. The reading of the pump issue meter at the end of each day shall also be entered in the accounts for the day.

(2) Every such retail dealer shall pass with every issue of motor spirit a serially numbered delivery note and maintain a duplicate thereof bearing the same serial number.

(3) For the purpose of this rule " day " means a period of twenty-four hours beginning at 6 a.m.

21. (1) In every month every retail dealer who is not also a registered importer or wholesale dealer shall send in duplicate—

(i) a return in Form F of the transactions relating to the previous month to the Collector of the district in which he is registered together with the treasury receipt referred to in section 6;

(ii) a return in Form F-1 to the Collector of the district in which he is registered; and

(iii) a return in Form F-2 to the Collectors of the districts in which the retail dealers to whom he issued motor spirit in the previous month are registered.

(2) The returns mentioned in clauses (i), (ii) and (iii) of sub-rule (1) should reach the authorities mentioned therein on or before the 25th day of the month.

22. Where any return submitted by a retail dealer appears to the District Collector to be incorrect or incomplete, he shall before taking action under sub-section (1) of section 7,, issue a notice to the retail dealer calling upon him to produce his accounts and prove the correctness of his return at a time and place to be specified in the notice. Every such notice shall be served on the retail dealer by delivering it to him at the premises where he carries on his business as retail dealer or if he is not found, by delivering the notice to any person in the employ of the retail dealer, who may be found at the said premises or if no such person be found there, by affixing the notice on a conspicuous part of the said premises.

23. The notice of demand of the tax determined under sub-section (1) of section 7 shall be in Form G and shall be served on the retail dealer in the manner specified in rule 22.

24. (1) In every month every importer and every wholesale dealer shall send in duplicate—

(i) a return in Form H of the transactions relating to the previous month to the Collector of the district in which he is registered together with the treasury receipt referred to in section 6 in respect of the retail sales, if any, effected by him during that month;

(ii) a return in Form H-1 to the Collector of the district in which he is registered;

(iii) a return in Form H-2 to the Collectors of the districts in which the importers to whom he issued motor spirit in the previous month are registered;

(iv) a return in Form H-3 to the Collectors of the districts in which the wholesale dealers to whom he issued motor spirit in the previous month are registered; and

(v) a return in Form H-4 to the Collectors of the districts in which the retail dealers to whom he issued motor spirit in the previous month are registered:

Provided that where a person is registered both as importer and wholesale dealer, it shall be sufficient if he sends one set of the returns specified in this sub-rule containing all the particulars relating to his transactions in motor spirit both as importer and wholesale dealer.

(2) The returns mentioned in clauses (i) to (v) of sub-rule (1) should reach the authorities mentioned therein on or before the 25th day of the month.

25. Every person registered under the Act shall keep separate accounts and submit separate returns in respect of his transactions in (*a*) petrol and (*b*) motor spirit other than petrol.

26. When tax has been short-levied through inadvertence, error or miscontruction on the part of the District Collector or through any misstatement of the retail dealer or when any such tax after having been levied has been, owing to any such cause, erroneously refunded, the retail dealer liable to pay the tax so short-levied or to whom such refund has erroneously been made, shall on demand being made by the District Collector pay the deficiency or, as the case may be, repay the amount erroneously refunded. No such demand shall be made after the expiry of three months from the last day of the month to which the tax relates or, as the case may be, after the expiry of three months from the date of the erroneous refund. The demand under this rule shall be made by notice which shall be served on the retail dealer in the manner provided in rule 23.

27. Claims for the refund of the whole or part of the tax paid, on the ground that such payment had been made through inadvertence, error or misconstruction or on the ground that the refund claimed represents the tax paid for a second time on motor spirit on which the tax has already been paid shall not be considered unless made within three months of such payment.

28. Every importer, wholesale dealer and retail dealer shall preserve his account relating to transactions in motor spirit for a period of at least twelve months.

29. Every officer of the Excise Department not below the rank of Assistant Inspector, every officer of the Police Department not below the rank of Inspector and every officer of the Land Revenue Department not below the rank of Deputy Tahsildar shall, within the area for which he is appointed, have power under section 17 to investigate all offences against the Act.

30. The Inspector of Excise, or, where there is no Inspector of Excise, the Police Subdivisional Officer, having jurisdiction over the area in which anything has been seized by an officer exercising powers under section 17 shall be the prescribed authority for the purposes of clauses (*b*) and (*c*) of section 19.

31. The District Collector shall be the prescribed officer for the purposes of sub-section (2) of section 12 and the prescribed authority for the purposes of section 20.

32. Every appeal under sub-section (1) of section 24 shall be preferred—

(i) within sixty days of the receipt of the order appealed against in case the appeal is under clause (*a*) of that sub-section; and

(ii) within thirty days of the receipt of the order appealed against in case the appeal is under clause (*b*) of that sub-section.

33. Every appeal shall be in writing, shall specify the name and address of the appellant, the date of the order appealed against and contain a clear statement of the facts and the nature of the relief prayed for and shall be signed and verified by the appellant. It shall be accompanied by the order appealed against in original or by an authenticated copy, unless the omission to produce such order or copy is explained to the satisfaction of the appellate authority. The appeal may be sent to the appellate authority by post or may be presented to the appellate authority or to such officer as the appellate authority may appoint in this behalf, by the appellant or by an authorized agent or a legal practitioner.

34. Any person who commits a breach of rule 15, 18, 20, 25 or 28 shall, if no penalty is provided in the Act for such breach, be punishable with fine which may extend to one thousand rupees and where the breach is a continuing one with further fine which may extend to fifty rupees for every day after the first during which the breach continues.

FORM A.

(*See* rule 7.)

Application for registration as $\frac{\text{an importer of}}{\text{a wholesale dealer in}}$ $\frac{\text{petrol}}{\text{motor spirit other than petrol}}$

To the Collector

Sir,

I / We desire to be registered as $\frac{\text{an importer}}{\text{a wholesale dealer}}$ under section 4 (1) of the Madras Sales of Motor Spirit Taxation Act, 1939.

1 Applicant's name.

2 Address.

3 Place of business (District, Taluk, Town with the street and door number or village).

4 Whether the applicant is also carrying on business of the sale of motor spirit as a retail dealer.

5 Number of motor vehicles $\frac{\text{and}}{\text{or}}$ internal combustion engines owned by the applicant together with the quantity of motor spirit likely to be consumed by such vehicles $\frac{\text{and}}{\text{or}}$ engines in a month.

6 Whether the place of business is licensed under the Indian Petroleum Rules and if so, the kind of licence, its number and date and the period for which it is in force.

7 Remarks.

Place — Signature of applicant.

Date — Postal address of applicant.

NOTE.—(1) If the application is made on behalf of a company, the name and address of the company and the name of its Manager or agent should be given against item (1) above.

(2) If a company has branches or depots in several places besides its head office, a separate application for registration should be presented to the registering authority in respect of each such place.

(3) A court-fee label of two annas should be affixed to the application. A separate application should be made in Form B for registration as retail dealer if the applicant is also carrying on business as a retail dealer.

FORM B.

(*See* rule 7.)

Application for registration as a retail dealer in $\frac{\text{petrol}}{\text{motor spirit other than petrol}}$.

To the Collector of

Sir,

$\frac{\text{I}}{\text{We}}$ desire to be registered as a retail dealer under section 4 (1) of the Madras Sales of Motor Spirit Taxation Act, 1939:—

Supplies of petrol are obtained from.....(name and address of supplier).

1 Applicant's name.

2 Calling.

3 Address.

4 Place of business (district, taluk, town with street and door number or village).

5 Estimated quantity of motor spirit expected to be sold every month in retail.

6 Number of motor vehicles $\frac{\text{and}}{\text{or}}$ internal combustion engines owned by the applicant together with the quantity of motor spirit likely to be consumed by such vehicles $\frac{\text{and}}{\text{or}}$ engines in a month.

7 Whether the place of business is licensed under the Indian Petroleum Rules and if so, the kind of licence, its number and date.

8 Remarks.

Place Signature of applicant.

Date Postal address of applicant.

Note.—(1) If the application is made on behalf of a Company, the name and address of the company and the name of its manager or agent should be given against item (1) above. In the case of a club, a co-operative society or an association, its secretary or other person duly authorized should sign the application.

(2) If a retail dealer has branches in several places a separate application for registration should be made to the appropriate registering authority in respect of each such place.

(3) A court-fee label of two annas should be affixed to the application.

FORM C.

(*See* rule 10.)

Registration Certificate.

Certificate No. Date

I, Collector of district do hereby certify that (name) (address) has been duly registered as $\frac{\text{an importer of}}{\text{a wholesale dealer in}}$ $\frac{\text{petrol}}{\text{motor spirit other than petrol}}$ under section 4 (1) of the Madras Sales of Motor Spirit Taxation Act, 1939, and is authorized to carry on business as $\frac{\text{an importer of}}{\text{a wholesale dealer in}}$ $\frac{\text{petrol}}{\text{motor spirit other than petrol}}$ at (place of business), subject to the provisions of the said Act and the rules framed thereunder and also to the following conditions:—

1. * This certificate shall be valid so long as the said (name) holds a licence under the Indian Petroleum Rules.

2. This certificate should be exhibited at a conspicuous place within the premises of the business.

3. A correct account should be kept of the daily transactions at the place of business and the books of account and vouchers relating to stocks, purchases, deliveries and sales shall be open to inspection by an Inspecting Officer at any time.

* Applies only in the case of petrol.

4. An inspection note book in the form in the annexure below should be kept in the premises of the place of business and the remarks of the Inspecting Officers of the Government should be entered in it. The instructions and directions, if any, given therein should be followed or carried out as soon thereafter as possible. The note book should be handed over or sent whenever demanded by an officer of Government.

5. The prescribed return(s) should be sent to the prescribed authorities so as to reach them on or before the 25th of the month.

6. This certificate should not be transferred or sold. Nor should it be amended without the permission of the registering authority which should be applied for and obtained.

7. All corrections in this certificate should be made and attested by an officer of the Government under the orders of the registering authority.

8. Breach of any of these conditions or of the provisions of the Madras Sales of Motor Spirit Taxation Act, 1939, or of the rules issued thereunder will entail suspension or cancellation of this certificate besides any other penalties that may be imposed under that Act or the rules thereunder.

Signed

District Collector.

ANNEXURE.

Inspection Note Book.

(Enclosure to Form C.)

Front page alone to be printed.

Name of the holder of the registration certificate.

Place of business.

Number and date of the registration certificate.

(This note book is the property of the Government and must be returned to the Government when it is completed and a fresh one opened, or when the certificate is cancelled. It should be maintained in foolscap size of 24 blank pages leaving a page for every month for Inspecting Officers to note their remarks.)

FORM D.

(*See* rule 10.)

Registration Certificate.

Certificate No. Date

I, Collector of district do hereby certify that (name) (calling) (address) has been duly registered as a retail dealer in $\frac{\text{petrol}}{\text{motor spirit other than petrol}}$ under section 4 (1) of the Madras Sales of Motor Spirit Taxation Act, 1939, and is authorized to carry on business as a retail dealer in $\frac{\text{petrol}}{\text{motor spirit other than petrol}}$ at (place of business) subject to the provisions of the said Act and the rules framed thereunder and also to the following conditions:—

(1) * This certificate shall be valid so long as the said place of business is licensed under the *Indian Petroleum Rules.*

* Applies only in the case of petrol.

(2) A deposit of Rs. (Rupees
ally) made by the said on
late) at the Treasury / Sub-treasury / branch of the Reserve Bank of India
shall at the pleasure of the Registering Authority be adjusted at any time towards arrears of the tax if any due by him with or without giving him intimation thereof

or

(3) The security for Rs. (Rupees
only) of (here enter the nature

of the security offered and accepted), furnished by him on (date) will be cancelled only after the business is closed and the tax due has been paid in full.

(4) This certificate should be exhibited at a conspicuous place within the premises of the business.

(5) A correct account should be kept of the daily transactions at the place of business and vouchers and the books of account relating to stocks, purchases, sales and deliveries shall be open to inspection by an Inspecting Officer at any time.

(6) An inspection note book in the form in the annexure below should be kept in the premises of the place of business and the remarks of the officers of the Government from time to time should be entered in it. The instructions and directions, if any, given therein to the retail dealer, should be followed or carried out as soon thereafter as possible. The note book should be handed over or sent whenever demanded by an officer of Government.

(7) The tax should be paid into a Government treasury before the 25th of the succeeding month.

(8) The prescribed return(s) should be sent to the prescribed authorities so as to reach them on or before the 25th of the month.

(9) This certificate should not be transferred or sold. Nor should it be amended without the permission of the Registering Authority.

(10) All corrections in this certificate should be made and attested by an officer of the Government under the orders of the Registering Authority.

(11) Breach of any of these conditions or of the provisions of the Madras Sales of Motor Spirit Taxation Act, 1939, or of the rules issued thereunder will entail suspension or cancellation of this certificate besides any other penalties that may be imposed under that Act or the rules thereunder.

Signed

District Collector.

ANNEXURE.

Inspection Note Book.

(Enclosure to Form D.)

Front page alone to be printed.

Name of the holder of the registration certificate.

Place of business.

Number and date of the registration certificate.

(This note book is the property of the Government and must be returned to the Government when it is completed and a fresh one is opened or when the certificate is cancelled. It should be maintained in foolscap size of 24 blank pages leaving a page for every month for inspecting officers to note their remarks.)

FORM E.

(See rule 20.)

Retail dealer's account of daily transactions in $\frac{\textit{petrol}}{\textit{motor spirit other than petrol}}$

Date.	Opening balance (In gallons).			Quantity received (In gallons).			Total of columns (2) and (3) (In gallons).		
(1)	(2)			(3)			(4)		
	In cans.	In bulk.	Total.	In cans.	In bulk.	Total.	In cans.	In bulk.	T
1									
2									
3									
4									

	Quantity issued to other retail dealers (in gallons).			Quantity issued for own use (in gallons).		
	(5)			(6)		
	In cans.	In bulk.	Total.	In cans.	In bulk.	Total.

	Quantity sold in retail (in gallons).			Total of columns (5), (6) and (7) (In gallons).			Reading in the pump issue meter at end of day.	Remarks.
	(7)			(8)			(9)	(10)
	In cans.	In bulk.	Total.	In cans.	In bulk.	Total.		

NOTE.—(1) Transactions in motor spirit other than petrol may all be shown as in bulk.

(2) This register should be maintained in the form of a book with at least 24 pages for use for not less than two years.

FORM I.

(*See* rule 21.)

Retail dealer's monthly return of sales of

petrol / motor spirit other than petrol

To

The Collector of district.

Return of the issues of *petrol / motor spirit other than petrol* for the month of 19 furnished by (name of retail dealer) holding Registration certificate No. , date and doing business at in the district of

	In cans.	In bulk.	Total.
1 Stock on hand at the beginning of the month.			
2 Receipts during the month with details of the source of supply and the quantity received from each.			
3 Total of 1 and 2 above.			
4 Issues—			
(*a*) Total quantity issued during the month to other retail dealers.			
(*b*) Total quantity sold in retail.			
(*c*) Total quantity issued for own use.			
5 Total of items 4 (*a*) to 4 (*c*) above.			
6 Balance of stock at the end of the month (column 3 minus column 5).			
7 Amount of tax paid.			

NOTE.—(1) Separate returns should be sent in respect of petrol and of motor spirit other than petrol. In respect of the latter, transactions need not be shown separately "In cans" and "In bulk."

(2) The return should be sent in duplicate to the Collector of the district so as to reach him on or before the 25th of the month.

(3) Details regarding the names and addresses of the persons from whom supplies were received and the quantity of supplies and the dates of supply and similar details regarding issues to other retail dealers should be furnished in Forms F-1 and F-2.

(4) The treasury receipt for the amount of tax paid should be attached to the return.

Declaration.

I do hereby declare that I have compared the above particulars with my records and books and that they are to the best of my knowledge accurate and complete.

Place (Signed)

Date (Retail dealer or authorized manager or agent.)

FORM F-1.

(*See* rule 21.)

Details of petrol / motor spirit other than petrol received by (name of retail dealer) holding Registration certificate No. dated and doing business at in the district of in the month of

To

The Collector of district.

Date of receipt of supply.	Names and addresses of the persons from whom received.	Quantity (in gallons).		
		In cans.	In bulk.	Total.

NOTE.—(1) Separate returns should be sent in respect of petrol and of motor spirit other than petrol. In respect of the latter, transactions need not be shown separately "In cans" and "In bulk."

(2) The return should be sent in duplicate to the Collector of the district so as to reach him on or before the 25th of the month.

Declaration.

I do hereby declare that I have compared the above particulars with my records and books and that they are to the best of my knowledge accurate and complete.

Place (Signed)

Date (Retail dealer or authorized manager or agent.)

FORM F-2.

(*See* rule 21.)

Details of $\frac{\text{petrol}}{\text{motor spirit other than petrol}}$ issued by (name of retail dealer) holding Registration certificate No. dated and doing business at in the district of to other retail dealers in the month of

To

The Collector of district.

Date of issue.	Names and addresses of retail dealers to whom issued.	Quantity (in gallons).		
		In cans.	In bulk.	Total.

NOTE.—(1) Separate returns should be sent in respect of petrol and of motor spirit other than petrol. In respect of the latter, transactions need not be shown separately "In cans" and "In bulk."

(2) This return should be posted on a separate sheet or sheets for each district to which petrol was issued. The sheet or sheets relating to each district should be sent to the Collector of that district in duplicate so as to reach him on or before the 25th of the month.

Declaration.

I do hereby declare that I have compared the above particulars with my records and books and that they are to the best of my knowledge accurate and complete.

Place (Signed)

Date (Retail dealer or authorized manager or agent.)

FORM G.

(*See* rule 23.)

Notice of demand of payment of tax as determined by the District Collector under section 7 (1) of the Act.

To

Take notice that on behalf of the Government of Madras I hereby demand payment by you of the sum of Rs. (Rupees) now due and unpaid on account of tax on sales of motor spirit for the month of 19 and that if the said sum be not paid into a Government treasury within fourteen days after the date of service hereof on you, it will be recovered according to the provisions of sub-section (2) of section 7 of the Madras Sales of Motor Spirit Taxation Act, 1939.

Place (Signed)

Date *District Collector.*

FORM H.

(*See* rule 24.)

Return of receipts, issues and balances of $\frac{\text{importers.}}{\text{wholesale dealers (or depots).}}$

To

The Collector of district.

Return for the month of 19 of receipts and issues of $\frac{\text{petrol}}{\text{motor spirit other than petrol}}$ furnished by $\frac{\text{importer}}{\text{wholesale dealer (or depot)}}$ holding Registration certificate No. dated and doing business at in the district of

	In cans.	In bulk.	Total.
1 Stock on hand at the beginning of the month.			
2 Receipts during the month—			
(*a*) Imported direct			
* (*b*) From other importers or wholesale dealers (or depots).			
3 Total of 1 and 2			
4 Issues—			
* (*a*) Total quantity issued during the month to importers registered under the Act.			
* (*b*) Total quantity issued during the month to wholesale dealers (or depots) registered under the Act.			
* (*c*) Total quantity issued during the month to retail dealers registered under the Act.			
(*d*) Total quantity sold in retail during the month from the installation, wholesale dealers premises (or depots).			
(*e*) Total quantity issued for own use during the month.			
(*f*) Total quantity issued to importers, wholesale dealers (or depots) or retail dealers not registered under the Act.			
5 Total of items 4 (*a*) to 4 (*f*)			
6 Balance on hand			
7 Amount of tax paid			

NOTE.—(1) For items marked, * details showing the names and addresses of the importers, wholesale dealers (or depots) from whom petrol/motor spirit other than petrol, has been received with the quantity received from each and the dates of supply and the name and address of each importer, wholesale dealer (or depot) or retail dealer supplied, together with the quantity supplied to each and the date of supply should be given in separate forms as follows :—

Item 2 (*b*)	Form H-1
Item 4 (*a*)	Form H-2
Item 4 (*b*)	Form H-3
Item 4 (*c*)	Form H-4

(2) Separate returns should be sent in respect of petrol and of motor spirit oth than petrol. In respect of the latter, transactions need not be shown separately " cans " and " In bulk."

(3) This return should be sent in duplicate to the Collector of the district so as reach him on or before the 25th of the month.

(4) The treasury receipt for the amount of tax paid in respect of the retail sal if any, should be attached to the return.

Declaration.

I do hereby declare that I have compared the above particulars wi my records and books and that they are to the best of my knowled accurate and complete.

Place

Date (Signed)

Importer.
Wholesale dealer (or depot)
or authorized manager or agent.

FORM H-1.

(*See* rule 24.)

Details of petrol / motor spirit other than petrol received from importers / wholesale dealers (or depots)

during the month of 19 .

To

The Collector of district.

Return submitted by (name), importer / wholesale dealer (or depot)

holding Registration certificate No. , dated

and doing business at in the district of

Serial number.	Names and addresses of the importers/wholesale dealers (or depots) from whom received.	Quantity received from each (in gallons).		
		In cans.	In bulk.	Total.

NOTE.—(1) Separate returns should be sent in respect of petrol and of motor spirit other than petrol. In respect of the latter, transactions need not be shown separately " In cans " and " In bulk."

(2) The return should be sent in duplicate to the Collector of the district so as to reach him on or before the 25th of the month.

Declaration.

I do hereby declare that I have compared the above particulars with my records and books and that they are to the best of my knowledge accurate and complete.

Place

Date (Signed)

Importer.
Wholesale dealer (or depot)
or authorized manager or agent.

FORM H-2.

(*See* rule 24.)

Details of $\frac{\text{petrol}}{\text{motor spirit other than petrol}}$ issued to importers during the month of 193

To

The Collector of distric

Return submitted by (name)

$\frac{\text{Importer}}{\text{wholesale dealer (or depot)}}$ holding Registration certificate No. dated , and doing business at in the district of

Serial number.	Names and addresses of importers to whom issued.	Quantity issued to each (In gallons).		
		In cans.	In bulk.	Total.

NOTE.—(1) This return should be posted on a separate sheet or sheets for each district to which petrol was issued. The sheet or sheets relating to each district should be sent to the Collector of that district in duplicate so as to reach him on or before the 25th of the month.

(2) Separate returns should be sent in respect of petrol and of motor spirit other than petrol. In respect of the latter, transactions need not be shown separately "In cans" and "In bulk."

Declaration.

I do hereby declare that I have compared the above particulars with my records and books and that they are to the best of my knowledge accurate and complete.

Place

Date (Signed),

Importer.

Wholesale dealer (or depot) or authorized manager or agent.

FORM H-3.

(*See* rule 24.)

Details of $\frac{\text{petrol}}{\text{motor spirit other than petrol}}$ issued to wholesale dealers (or depots) during the month of 19

To

The Collector of district.

Return submitted by (name)

$\frac{\text{Importer}}{\text{wholesale dealer (or depot)}}$ holding Registration certificate No. dated , and doing business at in the district of

Serial number.	Names and addresses of wholesale dealers (or depots).	Quantity issued to each (in gallons).		
		In cans.	In bulk.	Total.

NOTE.—(1) This return should be posted on a separate sheet or sheets for each district to which petrol was issued. The sheet or sheets relating to each district should be sent to the Collector of that district in duplicate so as to reach him on or before the 25th of the month.

(2) Separate returns should be sent in respect of petrol and of motor spirit other than petrol. In respect of the latter, transactions need not be shown separately "In cans" and "In bulk."

Declaration.

I do hereby declare that I have compared the above particulars with my records and books and that they are to the best of my knowledge accurate and complete.

Place

Date (Signed)

Importer.

Wholesale dealer (or depot) or authorized manager or agent.

FORM H-4.

(*See* rule 24.)

Details of $\frac{\text{petrol}}{\text{motor spirit other than petrol}}$ issued to retail dealers during the month of 19

To

The Collector of district.

Return submitted by (name)

$\frac{\text{Importer}}{\text{wholesale dealer (or depot)}}$ holding Registration certificate No.

dated and doing business at

in the district of

Serial number.	Names and addresses of retail dealers to whom issued.	Quantity issued to each (in gallons).		
		In cans.	In bulk.	Total.

NOTE.—(1) This return should be posted on a separate sheet or sheets for each district to which petrol was issued. The sheet or sheets relating to each district should be sent to the Collector of that district in duplicate so as to reach him on or before the 25th of the month.

(2) Separate returns should be sent in respect of petrol and of motor spirit other than petrol. In respect of the latter, transactions need not be shown separately "In cans" and "In bulk."

Declaration.

I do hereby declare that I have compared the above particulars with my records and books and that they are to the best of my knowledge accurate and complete.

Place

Date (Signed)

Importer.

Wholesale dealer (or depot) or authorized manager or agent.

DRAFT FINAL NOTE.

Subject.- Promulgation into law of the Mysore Sales of Motor Spirit Taxation Bill.

On ~~the~~ 4th October 1939, ~~the~~ gracious sanction of His Highness was accorded to introduce the Mysore Sales of Motor Spirit Taxation Bill in the Representative Assembly and the Legislative Council. The general principles of the Bill were placed before the Assembly in October and ~~adopted~~ approved by ~~that Body~~ the House. The Bill itself was thereafter introduced in the Council in January 1940 and was referred by it to a Select Committee. The Select Committee met in April and made some minor changes in the Bill. ~~Their~~ Its Report and the Bill as amended by them ~~was~~ were placed before the Council on the 24th of June and adopted by it.

I solicit the gracious assent of His Highness to promulgate the Bill into law.

MEMBER OF COUNCIL.

24/7

NOTIFICATION.

No, 3351—*L. C., Bangalore,*
dated 14th December 1939.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Mysore Sales of Motor Spirit Taxation Bill is published for general information with the statement of objects and reasons.

By Order,

C. SUBRAHMANYA AIYER,
Secretary,
Mysore Legislative Council.

MYSORE SALES OF MOTOR SPIRIT TAXATION BILL.

A Bill to provide for the levy of a tax on retail sales of Motor Spirit in Mysore.

WHEREAS it is expedient to provide for the levy of a tax on retail sales of motor spirit in Mysore;

It is hereby enacted as follows:—

1. (i) This Act may be called the Mysore Sales of Motor Spirit Taxation Act, 19 .

(ii) It extends to the whole of Mysore.

(iii) This section shall come into force at once. The Government may, by notification in the official Gazette, apply all or any of the other provisions of this Act from such date as may be specified in the notification.

2. In this Act, unless there is anything repugnant in the subject or context—

(*a*) "Government Treasury" means the State Huzur Treasury, Bangalore, or any District or Taluk Treasury of the Government;

(*b*) "importer" means any person who imports motor spirit into Mysore;

(*c*) "motor spirit" means any substance which by itself or in admixture with other substances is ordinarily used directly or indirectly to provide reasonably efficient fuel for automotive or stationary internal combustion engines, and includes petrol, diesel oil and other internal combustion oils, but does not include kerosene, furnace oil, coal or charcoal;

(*d*) "petrol" means dangerous petroleum as defined in the Petroleum Act, 1923;

(*e*) "prescribed" means prescribed by rules made under this Act;

(*f*) "retail dealer" means any person who sells or keeps for sale motor spirit for the purposes of consumption by the person by whom or on whose behalf it is or may be purchased;

(*g*) "retail sale" means a sale of motor spirit by a retail dealer for the purpose of consumption by the person by whom or on whose behalf it is or may be purchased, and the expression "sell in retail" shall be construed accordingly; and

(*h*) "wholesale dealer" means any person who sells motor spirit, or keeps motor spirit for sale, to dealers in such spirit, for the purpose of trade.

Explanation.—A sale of motor spirit by a co-operative society or a club, a firm or any association to one of its members for consumption is a retail sale within the meaning of clause (*g*).

3. (i) Subject to the provisions of this Act, there shall be levied on all retail sales of motor spirit effected after the commencement of this Act, a tax,

in the case of petrol,—at the rate of one anna per gallon, and

in the case of any motor spirit other than petrol—at the rate of six pies per gallon;

and such tax shall be payable by the person effecting the sale:

Provided that the Government may, from time to time by notification in the official Gazette, fix any other rate at which the tax shall be payable.

(ii) Where any retail dealers obtain their supplies of motor spirit from an importer or a wholesale dealer, it shall be open to the Government, by agreement with the importer or wholesale dealer, to levy from him in advance the tax which may be payable by the retail dealers under sub-section (i) on the sale by them of the motor spirit and the provisions of this Act relating to the assessment and recovery of tax shall, subject to such conditions as may be agreed upon, apply to the importer or wholesale dealer accordingly.

(iii) No tax shall be levied under this Act on the sale of any motor spirit in respect of which such tax has already been paid.

4. (i) No person shall, after the commencement of this Act, carry on business in motor spirit as an importer or as a wholesale or retail dealer at any place in Mysore unless he has been registered as such under this Act:

Provided that persons carrying on business at the commencement of this Act shall be allowed two months from such commencement to get themselves registered under this Act.

Explanation.—Where a person has more than one place of business, whether in the same town or village or in different towns and villages, he shall get himself registered separately in respect of each such place of business.

(ii) (*a*) No importer or wholesale dealer shall, unless also registered as a retail dealer under this Act, sell motor spirit for consumption or sale in Mysore to any person other than an importer or a wholesale dealer or a retail dealer, registered as such under this Act.

(*b*) No retail dealer shall use or transfer for consumption any motor spirit stocked by him without its being included in his accounts and in the next return of retail sales submitted by him under section 5 (*b*).

(iii) Application for registration as an importer or a wholesale dealer or a retail dealer under this Act shall be made in such form and to such authority as may be prescribed.

(iv) Registration may be made subject to such conditions if any, as may be prescribed, including in the case of an applicant for registration as a retail dealer, the making of such deposit or the furnishing of such security as the registering authority may consider necessary to

ensure the due payment of the tax, which may from time to time be payable by him.

(v) No person including a company or firm registered as an importer, a wholesale dealer or a retail dealer, shall carry on the business of public transport requiring the use of motor spirit.

(vi) Any registration under sub-section (i) may be suspended or cancelled by such authority, for such reasons and in such manner, as may be prescribed.

5. Every retail dealer in motor spirit shall in respect of each place where he carries on business—

(*a*) keep books of account in the prescribed form; and

(*b*) submit every month to the Deputy Commissioner and to such other officers as may be prescribed, a return in the prescribed form and before the prescribed date, showing—

(i) the quantity of motor spirit received by him during the preceding month;

(ii) the quantity sold by him during such month; and

(iii) such other particulars as may be prescribed.

6. Along with the return referred to in clause (*b*) of section 5, the retail dealer shall furnish a receipt from a Government Treasury for the amount of the tax due in respect of the motor spirit sold by him in retail during the preceding month, according to the return.

7. (i) If no return is submitted by a retail dealer under clause (*b*) of section 5 in respect of any month before the date prescribed in that behalf, or if the return is submitted without a receipt for the full amount of the tax due as required under section 6, or if the return submitted appears to the Deputy Commissioner to be incorrect or incomplete, the Deputy Commissioner shall, after making such inquiry as he considers necessary, determine the amount of the tax due from such retail dealer in respect of such month and the amount so determined less the sum, if any, already paid by him shall be paid by the retail dealer into a Government Treasury within fourteen days after demand is made therefor:

Provided that before taking action under this sub-section, the retail dealer shall be given a reasonable opportunity of proving the correctness and completeness of his return.

(ii) In default of payment within the period aforesaid, the amount of tax due shall be recovered from the person from whom the tax is due as if it were an arrear of land revenue.

8. Every importer or wholesale dealer, shall—

(*a*) keep books of account in the prescribed form, and

(*b*) submit every month to the Deputy Commissioner and to such other officers as may be prescribed, a return in the prescribed form and before the prescribed date, showing—

(i) the quantity of motor spirit received by him in the preceding month,

(ii) the quantities of motor spirit supplied by him during such month to other importers, wholesale dealers or retail dealers, specifying the name and address of each importer, wholesale dealer or retail dealer, the quantities supplied by him, and the dates on which the supplies were made, and

(iii) such other particulars as may be prescribed.

9. (1) All accounts and vouchers relating to stocks, purchases, sales and deliveries of motor spirit kept by importers, wholesale dealers and retail dealers and the stocks of motor spirit with them shall be open to inspection by such officers as the Government may authorise in that behalf.

(2) Any such officer shall have power to enter and search any building, vehicle or place where any importer, wholesale dealer or retail dealer carries on business or keeps any stock of motor spirit.

10. Any person who—

(*a*) carries on business in motor spirit as an importer, a wholesale dealer or a retail dealer at any place without getting himself registered as required by subsection (i) of section 4 or when his registration in respect of such place is not in force, or

(*b*) fails to keep books of account as required by clause (*a*) of section 5 or of section, 8 or

(*c*) fails to submit any return as required by clause (*b*) of section 5 or of section 8 on or before the prescribed date, or submits an incorrect or incomplete return or fails to submit a receipt for the full amount of the tax due as required by section 6, or

(*d*) fails to pay the tax due from him within the time allowed, or

(*e*) fraudulently evades the payment of any tax due under this Act, or

(*f*) acts in contravention of any of the provisions of this Act,

shall, on conviction by a Magistrate of the First Class, be liable to a fine which may extend to one thousand rupees and where the breach is a continuing one, to a further fine which may extend to fifty rupees for every day after the first during which the breach continues.

11. The motor spirit in respect of which an offence against this Act is committed and any receptacle in which such spirit is contained shall be liable to confiscation.

12. (i) When in any case tried by a Magistrate, the Magistrate decides that any thing is liable to confiscation under section 11, he may, after hearing the person, if any, claiming any right thereto and the evidence, if any, which he produces in support of his claim, order confiscation or may give the owner an option to pay such fine as the Magistrate deems fit in lieu of confiscation.

(ii) When an offence against this Act has been committed but the offender is not known, or cannot be found, or when anything liable to confiscation under this Act and not in the possession of any person cannot be satisfactorily accounted for, the case shall be enquired into and determined by the prescribed officer who may order such confiscation :

Provided that no such order shall be made until the expiration of one month from the date of seizure of the things intended to be confiscated or without hearing the persons, if any, claiming any right thereto, and the evidence, if any, which they produce in support of their claims.

13. (i) Any officer of the Government specially empowered by them in this behalf may issue a warrant for the arrest of any person whom he has reason to believe to have committed an offence against this Act.

(ii) All warrants issued under this section shall be executed in accordance with the provisions of the Code of Criminal Procedure, 1904, by a Police Officer, or if the officer issuing the warrant deems fit, by any other person.

14. Any officer of the Government specially empowered by them in this behalf may—

(*a*) enter and search any building, vessel, vehicle or place in which he has reason to believe that any motor spirit liable to confiscation under this Act is kept or concealed;

(*b*) seize any motor spirit and any receptacle which he has reason to believe to be liable to confiscation under this Act; and

(*c*) detain, search and arrest any person whom he has reason to believe to be guilty of any offence against this Act.

15. The provisions of section 61 of the Code of Criminal Procedure, 1904, shall apply to all arrests without warrant made under section 14.

16. Every officer employed by the Government or by any local authority shall be bound to give immediate information at the nearest police station or, if so required by any general or special order issued by the Government, to the nearest Excise Officer of rank not below that of a sub-inspector, of all breaches of any of the provisions of this Act which may come to his knowledge; and all such officers shall be bound to take all reasonable measures in their power to prevent the commission of any such breaches which they may know or have reason to believe are about or likely to be committed.

17. (i) Every officer of the Excise, Police or Land Revenue Department not below such rank as may be prescribed, shall, within the area for which he is appointed, have power to investigate all offences against this Act.

(ii) Every such officer shall, in the conduct of such investigation, exercise the powers conferred by the Code of Criminal Procedure, 1904, upon an officer in charge of a police station for the investigation of a cognizable offence:

Provided that if such officer is of opinion that there is not sufficient evidence or reasonable ground of suspicion to justify the forwarding of an accused to a Magistrate, or that the person arrested may be discharged with a warning, such officer shall release him on his executing a bond, with or without sureties, to appear if and when so required before a Magistrate and shall make a full report of the case to the Deputy Commissioner.

18. (i) All offences against this Act shall be bailable.

(ii) Any officer empowered under section 17 shall have power to grant bail in accordance with the provisions of the Code of Criminal Procedure, 1904, to any person arrested without warrant for an offence against this Act.

19. When anything has been seized by an officer exercising powers under section 17, such officer, after such inquiry as he considers necessary—

(*a*) if it appears that such thing is required as evidence in the case of any person arrested, shall forward the thing to the Magistrate to whom such person is forwarded or for his appearance before whom bail has been taken ;

(*b*) if it appears that such thing is liable to confiscation but is not required as evidence as aforesaid, shall send the thing with a report of the particulars of the seizure to the prescribed authority ; and

(*c*) if no offence appears to have been committed, shall return the thing to the person from whose possession it was taken and shall report to the prescribed authorities.

20. (i) The prescribed authority may accept from any person who has committed or is reasonably suspected of having committed an offence against this Act, by way of composition of such offence—

(*a*) where the offence consists of a sale of motor spirit in contravention of this Act or of the evasion of any tax payable by him under section 3, a sum of money not exceeding five hundred rupees or double the amount of the tax payable, whichever is greater; and

(*b*) in other cases, a sum of money not exceeding five hundred rupees.

(ii) On the payment of such sum of money and the tax, if any, payable under section 3, to the prescribed authority, the accused person shall be discharged, the property seized, if any, shall be released and no further proceedings shall be taken against such person or property in respect of such offence.

21. (i) No Magistrate shall take cognizance of any offence against this Act—

(*a*) except upon the complaint or report of the Deputy Commissioner or other prescribed authority, or

(*b*) except upon his own knowledge or suspicion.

(ii) Except with the sanction of the Government, no Magistrate shall take cognizance of any offence against this Act, unless the prosecution is instituted within six months from the date on which the offence is alleged to have been committed :

Provided that nothing contained in this sub-section shall apply to any case governed by section 23.

22. (i) No suit, prosecution or other proceeding shall lie against any officer or servant of the Government, for any act done or purporting to be done under this Act, without the previous sanction of the Government.

(ii) No officer or servant of the Government shall be liable in respect of any such act in any civil or criminal proceeding, if the act was done in good faith in the course of the execution of duties or the discharge of functions imposed by or under this Act.

23. No suit shall be instituted against the Government, and no suit, prosecution or other proceeding shall be instituted against any officer or servant of the Government in respect of any act done or purporting to be done under this Act, unless the suit, prosecution or other proceeding is instituted within six months from the date of the act complained of.

24. (i) Any person aggrieved by any order passed under this Act, not being an order passed by any court or Magistrate, may appeal—

(*a*) in case such order is passed by a Deputy Commissioner, to the Government, and

(*b*) in any other case, to the Deputy Commissioner.

(ii) The appellate authority may, after giving the appellant an opportunity of being heard, pass such orders on the appeal as such authority thinks fit.

(iii) Every order passed in appeal under this section shall, subject to the powers of revision conferred by section 25, be final.

25. The Government may, at any time, call for and examine the record of any order passed by, or any proceedings recorded by, any officer or person under this Act, for the purpose of satisfying itself as to the legality or propriety of such order, or as to the regularity of such proceedings, and may pass such order in reference thereto as it thinks fit.

Nothing contained in this section shall apply to the orders or proceedings of any court or Magistrate.

26. (i) The Government may make rules to carry out the purposes of this Act.

(ii) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(*a*) all matters expressly required or allowed by this Act to be prescribed;

(*b*) the regulation of the sale of motor spirit for the purpose of enforcing the provisions of this Act;

(*c*) the duties and powers of inspecting and other officers appointed or authorised to exercise any powers under this Act, and the procedure to be followed by such officers;

(*d*) the form in which, and the time within which, appeals under section 24 may be preferred; and

(*e*) any other matter for which there is no provision or no sufficient provision in this Act and for which provision is, in the opinion of the Government, necessary for giving effect to the purposes of this Act.

(iii) In making a rule under sub-section (i) or sub-section (ii), the Government may provide that a breach thereof shall be punishable with fine which may extend to one thousand rupees and where the breach is a continuing one, with further fine which may extend to fifty rupees for every day after the first during which the breach continues.

(iv) The power to make rules conferred by this section shall, except on the first occasion of the exercise thereof, be subject to the condition of the rules being made after previous publication for a period of not less than four weeks.

27. All rules made and notifications issued under this Act shall be published in the official Gazette and upon such publication, shall have effect as if enacted in this Act.

28. If any difficulty arises in giving effect to the provisions of this Act or the rules made thereunder, the Government may, as occasion may arise, by order, do anything which appears to it necessary for the purpose of removing the difficulty.

Statement of Objects and Reasons.

The object of this Bill is to levy a tax on all retail sales of motor spirit in the State. It is proposed to levy

the tax on a gallonage basis at one anna per gallon or at such other rate as may be fixed by the Government by notification in the official Gazette. The tax need be paid only once.

Provision has been made for the compulsory registration of all dealers and retail dealers in motor spirit. No one can sell in retail motor spirit unless he is registered as a retail dealer. Monthly returns are required from the retail dealers. The tax is to be paid before the submission of the return, and evidence of payment is to accompany the return. Power has been taken to determine the tax in cases where an incorrect or incomplete return or no return is submitted. In default of payment of the tax, it may be collected as an arrear of land revenue. An alternative method of collecting the tax from the wholesale dealer himself, where he consents to the adoption of that course, is also provided for. Dealers other than retail dealers have also to submit returns for facilitating the check of accounts of the retail dealers.

Power has been taken to inspect accounts and stocks of motor spirit. Provision is made for appeals against orders of the Deputy Commissioner or other executive officers of Government.

The Bill follows in the main the Madras Sales of Motor Spirit Taxation Act, 1939.

CONFIDENTIAL.

Proceedings of the meeting of the Finance and Taxation Committee held in the Chambers of the Second Member of Council on Friday, the 5th January 1940, at 1 p.m.

PRESENT.

1. *Rajamantrapravina* K. V. Anantaraman, Esq., B.A. (*Chairman*)
2. *Rajacharitavisarada* *Rao Saheb* C. Hayavadana Rao, Esq., B.A., B.L.
3. S. N. Ramanna, Esq., B.A., LL.B.
4. S. Thimme Gowda *alias* Thammaiya Gowda, Esq.
5. T. S. Sivalingaswamy, Esq.
6. Patel Hanume Gowda, Esq.
7. A. N. Raghavachar, Esq., M.A. (*Secretary*)

ABSENT.

J. Mahomed Imam, Esq., B.A., B.L.

The following subjects were considered :—

(1) Schedule of additional and supplementary grants for 1939-40 to be presented to the Legislative Council at the January 1940 Session.

(2) The Bill further to amend the Mysore Income-tax Act, 1923.

(3) The Bill to provide for the levy of a tax on retail sales of motor spirit in Mysore.

2. The list of additional and supplementary grants, to be presented to the Legislative Council in January 1940, which had been circulated to the members, was passed by the Committee, explanation and additional information being furnished wherever necessary.

3. The Bill further to amend the Mysore Income-tax Act, 1923, was then taken up for consideration. It was explained by the Chairman as to how the enhanced rate of two annas now proposed, as against the existing rate of one anna six pies per rupee, in the case of individuals, etc., getting a total income of Rs. 75,000 or upwards and in the case of companies and registered firms in receipt of income of Rs. 4,800 or upwards, compared favourably with the corresponding rates of British India, and as to how the present system itself is more simple and easily workable than the new British Indian system. The Bill was passed by the Committee.

4. When the Bill for the levy of a tax on sales of motor spirit was taken up for consideration, the Secretary explained that besides taking the necessary power, it was not the intention of Government to impose the tax immediately.

Mr. S. N. Ramanna enquired as to what would be the position of a person who imported petrol for his own use.

The Secretary to Government, Law Department (Mr. C. Subrahmanya Aiyar), who was present by invitation, replied that in that case, the person shall have to pay the tax in British India instead of in the State, and that it made no difference after all as the tax had to be paid in one place or other.

With reference to clause 4 (*v*) of the Bill, Mr. Ramanna remarked that it would work as a great hardship if the bus owners were prevented from having bunks of their own.

Mr. C. Subrahmanya Aiyar replied that there was no objection to a bus owner having bunks of his own, for his own consumption. The objection is to such a bus owner selling motor spirit as a dealer.

Regarding clause 20 (*a*) of the Bill, Mr. Ramanna was afraid that the words "whichever is greater" appearing at the end of the clause, would cause hardship as they left no chance to the accused for compounding petty cases except on payment of Rs. 500.

The Chairman promised that the above point will be taken note of when referring the Bill to the Select Committee.

With reference to clauses 21 (*ii*) and 23, Mr. Ramanna was of opinion that the time limit of six months would work as a great hardship on the litigant public, if the Government delayed the granting of sanction for more than six months.

Mr. C. Subrahmanya Aiyar suggested that the difficulty might be overcome, if a proviso could be added to the clause to the effect that the said period of six months should be exclusive of the time taken by Government to accord sanction.

The Chairman agreed to the suggestion.

The Committee accepted the Bill.

BANGALORE,
16th January 1940

A. N. RAGHAVACHAR,
Secretary,
Finance and Taxation Committee.

G.R.S. III—3]
R. A. & L. C.

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Dewan's concluding remarks at the Dasara Session of the Representative Assembly, October 1939.

Kind attention is invited to para 4 of the remarks (copy enclosed) wherein the Dewan has been pleased to promise that, with regard to the Motor Spirit Taxation Bill, Govt. hope to defer the levy until the financial situation definitely requires the augmentation of our revenue from this source and that the possibility of avoiding an increase in the price of petrol will also be kept in view and to take necessary further action thereon.

3.11.39 3.11.39

Protection Branch)

N.B.—Should routine notes be written o
e notes must be copied, or slips pasted

THE MYSORE REPRESENTATIVE ASSEMBLY.

DEWAN'S CONCLUDING REMARKS.

24th October, 1939.

LADIES AND GENTLEMEN,

1) I shall not detain the House with many words in closing this Session of the Representative Assembly.

2) We may all look back with satisfaction on the Session. The debates throughout have been marked by good temper and a spirit of co-operation and by a feeling that Government has only one end in view—the well-being and progress of Mysore.

3) I was glad that the House expressed itself all but unanimously in favour of the Mysore Public Security Act. This was to be expected of men of wisdom and experience, with full knowledge of what is going on around them. Mysore Public Security Act.

4) With regard to the Motor Spirit Sales Taxation Bill, Government hope to defer the levy until the financial situation definitely requires the augmentation of our revenue from this source. In this connection, the possibility of avoiding an increase in the price of petrol, at a time when it is abnormally high owing to other causes, will also be kept in view. Motor Spirit Sales Taxation Bill.

5) It was suggested by some of the members that the higher rate of tax proposed in the Bill for amending the Income-tax Act (that is, two annas in the rupee) might be applied to companies and registered firms with incomes exceeding Rs. 4,800 per annum. Government have noted this suggestion, and will, if possible, adopt it when the Bill is placed before the Legislative Council. Income-tax Amendment Bill.

6) I should like to refer very briefly, in passing, to some of the important matters that were raised in the course of the debates at this Session.

7) Members representing both urban and rural constituencies have brought to notice certain hardships caused to landholders by the operation of the present rules regarding the use of agricultural land for building purposes. It was stated that the rates of conversion fine were somewhat heavy, and that the practice, which has latterly come into vogue, of imposing a special assessment in such cases virtually amounted to a double levy. Government propose to examine the whole question, and see what relief, if any, can be given, having regard to the desirability of encouraging village and town extensions, but without prejudice to the right of the State to tax a part of the unearned increment accruing in such cases. Appropriation of agricultural land for building purposes.

Debt Conciliation Boards.

8) The working of the Debt Conciliation Boards came in for some criticism. I must admit that the amount of debt so far dealt with is not very large. Government are, however, taking steps to have the working of the scheme and other allied measures for the relief of agricultural debtors investigated by a special officer, and, in the light of the results disclosed, action will be taken to place these schemes on a more satisfactory basis.

Introduction of Kannada in Urdu schools.

9) The discussion on the question of introducing Kannada as a compulsory subject in Urdu schools revealed the anxiety of the Muslim representatives that their boys should acquire not merely a working knowledge of the State language, but a fair amount of proficiency in it. This was suggested partly on utilitarian grounds, but mainly as a means of enabling Muslims in the State to participate more fully in the general life of the community. The proposal is an index of the spirit of common citizenship which is so strong among all sections of His Highness the Maharaja's subjects. There may be practical difficulties in adding a new subject to the heavy curriculum of studies in Urdu schools, but the proposal merits, and will receive, very careful attention.

Broadcasting.

10) There is a desire on the part of the members that arrangements should be made early to establish a Broadcasting Station in the State. Broadcasting ~~in recent years~~ has come to take a prominent place in the life of the individual as much as of the nation. Government have already taken up the question of establishing a 5-Kilowatt Short Wave Station in this city.

Constitutional Reforms.

11) I feel I should tell the House that the Report of the Constitutional Reform Committee was received by Government on August 31. The minutes of dissent—and they are many and lengthy—came in much later. The Report is receiving the earnest consideration of Government, and they expect to pass orders upon it before long. I have every hope that the recommendations of the Committee and the Government Order thereon will be received with satisfaction by the country.

12) It is the special desire of His Highness the Maharaja that the integrity, the efficiency, and the stability of his Government should remain unimpaired, so that every section of his subjects may have the fullest confidence in it, and live without any feeling of animosity or suspicion against one another or against the Administration. That, after all, is, I believe, the acid test of any constitution, and I trust that, judged by that test, the new Constitution will not be found wanting.

13) It only remains for me to thank the members for the work which they have done during the present Session, and to wish them God-speed.

WD 3472—GBPM—500—23-10-39.

1) Copy of Petroleum Act is put up

2) Note the rate of duty levied on Spirits (& Lubricating Oils) in different Provinces

3) Clause 4 sub clause (b) prohibits the carrying on business of dealing in any such [illegible] Acts other than Madras.) Refer to Madras Acts

1. A copy of the Petroleum Act is put up.

2. The rates of duty in various Provinces are shown in the annexed statement.

3. There does not appear to be such a provision in any Act other than Madras.

PROVINCE.	MOTOR SPIRIT.	OIL.
Madras	0-1-6	0-0-6
Punjab	0-1-3	-
Bombay	0-1-0 if price is above one rupee. If less 6¼ per cent.	-
Bihar	0-1-6	-
U.P.	Rate not exceeding 0-2-0	-
C.P. & Berar	5%	Same for lubricants

MYSORE SALES OF MOTOR SPIRIT TAXATION BILL.

MEMBERS OF THE SELECT COMMITTEE.

Meeting held on 27th April 1940.

at 2 P.M.

FIRST MEMBER OF COUNCIL (Chairman)

Rukn-ul-Mulk S.Abdul Wajid

Rajasevaprasakta A.V. Ramanathan

Mr. Charles Maronha.

Mr. A.N.Raghavachar

Mr. M.C.Linge Gowda

Mr. B.R.Puttananjapi

Khan Bahadur Mahomed Abbas Khan

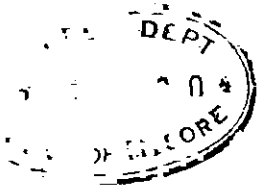
Rajacharitavisharada Rao Sahib C.Hayavadana Rao.

Mr. H.Lingappa.

Government of His Highness the Maharaja of Mysore.

General and Revenue Secretariat.

No.P.7531-8 Dated Bangalore the 27th May 1940.



Dear Sir,

I am desired to send herewith a copy of the Select Committee Report on the Mysore Sales of Motor Spirit Taxation Bill and to request you to kindly return the same with your approval thereon by return of post.

Yours sincerely,
M. K. Veeraraghavan

Charles Naronha, Esq., M.A.,
Secretary to Government, Development Department.

Return approved
29/5.
29/5

MYSORE SALES OF MOTOR SPIRIT TAXATION BILL.

Report of the Select Committee.

WE the members of the Select Committee to which the Mysore Sales of Motor Spirit Taxation Bill was referred have having considered its several clauses and have the honor to submit the following report:-

Clause 2 (a).- To facilitate the payment of tax in places where there might not be any Government Treasury, we recommend that the following words may be added at the end of this sub-clause:-

> "and includes any office or branch of a bank notified as a Government Treasury for the purposes of this Act."

Clause 2 (d).-As petrol is sold in certain parts of the State only in admixture with alcohol under the provisions of the Mysore Power Alcohol Act, 1939, we recommend that the definition may be made to include such petrol and that therefore the following words may be added at the end of this sub-clause:-

> "and includes petrol mixed with alcohol in accordance with the provisions of the Mysore Power Alcohol Act, 1939;"

Clause 3 (i).- We consider that any alteration in the rate of tax should have the approval of the Legislative Council before coming into force and so recommend that the following proviso may be added at the end of the first, namely:-

> "Provided further that no such notification shall come into force until approved by a resolution of the Legislative Council."

Clause 14 (a).- We recommend that the word "vessel" may be deleted from this sub-clause as unnecessary.

Clause 15.- For the sake of clarity, we recommend that for the word and figures, "section 14" occuring at the end of this clause, the words "the last preceding section" may be substituted.

Clause 19 (c).- We recommend that for the last word, "authorities", the words "authority accordingly" may be substituted.

Clause 20 (a).- We consider it necessary that the tax on petrol should always be paid before any question of compounding an offence can arise under this clause, and accordingly recommend that the following words may be added between the words "payable" and "by him", namely:-

"under this Act, in addition to the tax payable"

Clause 28.- Since we consider that the Bill makes adequate provision for all contingencies and it is therefore unnecessary to provide for the removal of any difficulty in giving effect to its provisions. we recommend that this clause may be deleted.

As we have not made any material alterations in the Bill, we recommend that the Bill as amended by us need not be republished.

29/5 -----

Government of His Highness the Maharaja of Mysore.

General and Revenue Secretariat.

No.P.7531/8 Dated Bangalore the 27th May 1940.

Dear Sir,

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Yours sincerely,
M.K.Varadarajan

Khan Bahadur
Mahomed Abbas Khan, Esq.,
Member, Mysore Legislative Council,
Arcot Srinivasachar's Street,
Bangalore.

Dear Sir,
Returned with thanks
duly approved

MYSORE SALES OF MOTOR SPIRIT TAXATION BILL.

Report of the Select Committee.

WE the members of the Select Committee to which the Mysore Sales of Motor Spirit Taxation Bill was referred have having considered its several clauses and have the honor to submit the following report:-

Clause 2 (a).- To facilitate the payment of tax in places where there might not be any Government Treasury, we recommend that the following words may be added at the end of this sub-clause:-

> "and includes any office or branch of a bank notified as a Government Treasury for the purposes of this Act;"

Clause 2 (c).-As petrol is sold in certain parts of the State only in admixture with alcohol under the provisions of the Mysore Power Alcohol Act, 1939, we recommend that the definition may be made to include such petrol and that therefore the following words may be added at the end of this sub-clause:

> "and includes petrol mixed with alcohol in accordance with the provisions of the Mysore Power Alcohol Act, 1939;"

Clause 3 (i).- We consider that any alteration in the rate of tax should have the approval of the Legislative Council before coming into force and so recommend that the following proviso may be added at the end of the first, namely,-

> "Provided further that no such notification shall come into force until approved by a resolution of the Legislative Council."

Clause 14 (a).- We recommend that the word "vessel" may be deleted from this sub-clause as unnecessary.

Clause 16.- For the sake of clarity, we recommend that for the word and figures, "section 14" occuring at the end of this clause, the words "the last preceding section" may be substituted.

Clause 19 (c).- We recommend that for the last word, "authorities", the words "authority accordingly" may be substituted.

Clause 20 (a).- We consider it necessary that the tax on petrol should always be paid before any question of compounding an offence can arise under this clause, and accordingly recommend that the following words may be added between the words "payable" and "by him", namely:-

"under this Act, in addition to the tax payable"

Clause 28.- Since we consider that the Bill makes adequate provision for all contingencies and it is therefore unnecessary to provide for the removal of any difficulty in giving effect to its provisions, we recommend that this clause may be deleted.

As we have not made any material alterations in the Bill, we recommend that the Bill as amended by us need not be republished.

Approved

Chairman

MYSORE SALES OF MOTOR SPIRIT TAXATION BILL.

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Government of His Highness the Maharaja of Mysore.

General and Revenue Secretariat.

No.P.7531-8 Dated Bangalore the 27th May 1940.

Dear Sir,

I am desired to send herewith a copy of the Select Committee Report on the Mysore Sales of Motor ~~Spirit Taxation~~ Bill and to request you to kindly return the same with your approval thereon by return of post.

Yours sincerely,
M.K. Varadaraj[illegible]

Rajasevaprasakta
A.V.Ramanathan, Esq., B.A.,
Inspector General of Police in Mysore.

VC. 1331/39-40 & 29.5.40. Encl.
Returned with Compliments duly signed, in token of approval

CHIEF SECRETARY
30 MAY 1940
GOVT. OF MYSORE.

29-5-40

MYSORE SALES OF MOTOR SPIRIT TAXATION BILL.

Report of the Select Committee.

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Clause 15.- For the sake of clarity, we recommend that for the word and figures, "section 14" occuring at the end of this clause, the words "the last preceding section" may be substituted.

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Clause 20 (a).- We consider it necessary that the tax on petrol should always be paid before any question of compounding an offence can arise under this clause, and accordingly recommend that the following words may be added between the words "payable" and "by him", namely:-

"under this Act, in addition to the tax payable"

Clause 23.- Since we consider that the Bill makes adequate provision for all contingencies and it is therefore unnecessary to provide for the removal of any difficulty in giving effect to its provisions. we recommend that this clause may be deleted.

As we have not made any material alterations in the Bill, we recommend that the Bill as amended by us need not be republished.

Government of His Highness the Maharaja of Mysore.

General and Revenue Secretariat.

P.7531-8 Dated Bangalore the 27th May 1940.

New Bills

FINANCE OFFICE

Dear Sir,

I am desired to send herewith a copy of the Select Committee Report on the Mysore Sales of Motor Spirit Taxation Bill and to request you to kindly return the same with your approval thereon by return of post.

Yours sincerely,
M.K. Varadaraju

A.N.Raghavachar, Esq., M.A.,
Financial Secretary to Government.

Approved & returned
A.N. Raghavachar

MYSORE SALES OF MOTOR SPIRIT TAXATION BILL.

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Clause 15.- For the sake of clarity, we recommend that for the word and figures, "section 14" occuring at the end of this clause, the words "the last preceding section" may be substituted.

Clause 19 (c).- We recommend that for the last word, "authorities", the words "authority accordingly" may be substituted.

Clause 20 (a).- We consider it necessary that the tax on petrol should always be paid before any question of compounding an offence can arise under this clause, and accordingly recommend that the following words may be added between the words "payable" and "by him", namely:-

"under this Act, in addition to the tax payable"

Clause 28.- Since we consider that the Bill makes adequate provision for all contingencies and it is therefore unnecessary to provide for the removal of any difficulty in giving effect to its provisions. we recommend that this clause may be deleted.

As we have not made any material alterations in the Bill, we recommend that the Bill as amended by us need not be republished.

Bangalore City, 29th May *1932*

31/5

To
M.K.Varadarajan,Esq.M.A.,B.L.
Asst.Secretary,
Public Offices,
Bangalore

Dear Sir,

With reference to your letter No.P.7531/8 dated 27th instant, I am enclosing herewith a copy of the Report of the Select Committee on the Mysore Sales of Motor Spirit Taxation bill duly approved.

Yours sincerely

No. 1. MYSORE ROAD.

Bangalore City, 29th May 1932 40

- 31/5

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Clause 2 (d).-As petrol is sold in certain parts of the State only in admixture with alcohol under the provisions of the Mysore Excise Alcohol Act, 1939, we recommend that definition may be made to include such petrol and that therefore the following words may be added at the end of this sub-clause

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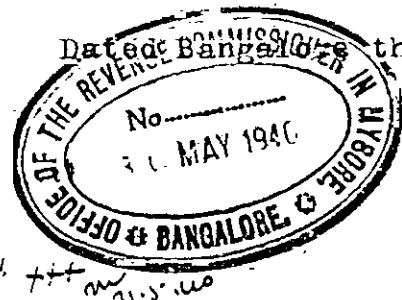
29.5.40

Government of His Highness the Maharaja of Mysore.

General and Revenue Secretariat.

No 7531-8 Dated Bangalore the 27th May 1940.



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Yours sincerely,

M. K. Varadaraj ur

Rukn-ul-Mulk
S.Abdul Wajid, Esq., B.A.,
Revenue Commissioner in Mysore.

MYSORE SALES OF MOTOR SPIRIT TAXATION BILL.

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As we have not made any material alterations in the Bill, we recommend that the Bill as amended by us need not be republished.

B. R. PUTTANANJAPPA, M. A., LL. B.,
ADVOCATE, SHIMOGA.
ಬಿ. ಆರ್. ಪುಟ್ಟನಂಜಪ್ಪ, ಎಂ. ಎ., ಎಲ್ ಎಲ್. ಬಿ.,
ಅಡ್ವೊಕೇಟ್, ಶಿವಮೊಗ್ಗ.

SHIMOGA.

Dated. 7th June 1940

The Secretary,
Mysore Legislative Council,
Mysore.

8/b

Dear Sir,

Ref:- Select Committee Report on the Mysore Sales of Motor Spirit Taxation Bill.

I have herewith returned the copy of the Report of the Select Committee, which I have signed subject to the following note. I regret that there was delay in signing the Report, owing to my absence from station.

Thanking you,

Yours faithfully.

B. R. Puttanaijappa

Note

Section 23 specifies that any suit prosecution or other proceeding against any officer or

PUTTANANJAPPA, M. A., LL. B.,
ADVOCATE, SHIMOGA.
ಪ್ರ. ಪುಟ್ಟನಂಜಪ್ಪ, ಎಂ. ಎ., ಎಲ್ ಎಲ್. ಬಿ.,
ಅಡ್ವೊಕೇಟ್, ಶಿವಮೊಗ್ಗ.

or servant of Government in respect of an act done or purporting to be done under the Act can be instituted only within six months from the date of the act complained of. But according to Section 22, the aggrieved party will have to obtain sanction of ~~Government~~ Government before filing such suit, prosecution or other proceeding. The Bill has not provided that while computing the date of six months under Section 23 the time taken for obtaining the sanction of Government under Section 22 should be excluded. I am of opinion that it is necessary to remedy this omission as otherwise hardship may in some cases be caused to aggrieved parties. B. R. Puttananjappa.

MYSORE SALES OF MOTOR SPIRIT TAXATION BILL.

Report of the Select Committee.

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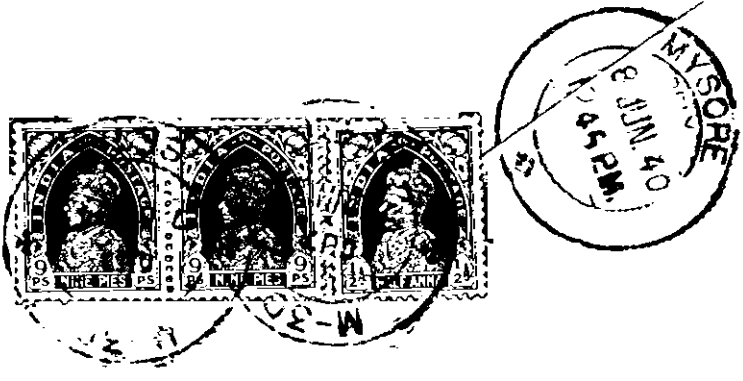
S. R. Pattamanjappa
(subject to a note of [redacted])

B. R. PUTTANANJAPPA, M. A. LL B.,
ADVOCATE SHIMOGA.
ಬಿ. ಆರ್. ಪುಟ್ಟನಂಜಪ್ಪ, ಎಂ. ಎ. ಎಲ್ ಎಲ್. ಬಿ.,
ಅಡ್ವೋಕೇಟ್ ಶಿವಮೊಗ್ಗ.

The Secretary
Mysore Legislative
Council
Mysore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MYSORE SALES OF MOTOR SPIRIT TAXATION BILL:

Report of the Select Committee.

We the members of the Select Committee to which the Mysore Sales of Motor Spirit Taxation Bill was refer have considered its several clauses and have the honor t submit the following report:-

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MYSORE SALES OF MOTOR SPIRIT TAXATION BILL.

Mr. B.R.Puttananjappa has signed the Report of the Select Committee on the Mysore Sales of Motor Spirit Taxation Bill subject to the following Note:-

"NOTE.

Section 23 specifies that any suit, prosecution or other proceeding against any officer or servant of Government in respec of an act done or purporting to be done under the Act can be instituted only within six months from the date of the act complained of. But according to section 22, the aggrieved party will have to obtain sanction of Government before filing such suit, prosecution or other proceeding. The Bill has not provide that while computing the date of six months under section 23, the time taken for obtaining the sanction of Government under section 22 should be excluded. I am of opinion that it is necessary to remedy this omission as otherwise hardship may in some cases be caused to aggrieved parties."

Sd/ B.R.Puttananjappa.
7th June 1940.

JHW 19/6

NOTIFICATION.

No. 6267—L. C., dated Bangalore, the 31st May 1940.

Under Standing Order No. 49 of the standing orders or the conduct of business of the Mysore Legislative ouncil, the following Report of the Select Committee on ne Mysore Sales of Motor Spirit Taxation Bill is published or general information.

By Order,

H. V. NARAYANA RAO,
Secretary,
Mysore Legislative Council.

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(Sd.) N Madhava Rao
(*Chairman*).
,, S. Abdul Wajid.
,, A. V. Ramanathan.
,, C. E. Noronha.
,, A. N. Raghavachar.
,, Mahomed Abbas Khan.
,, C. Hayavadana Rao.
,, H. Lingappa.

Mr. M. C. Linge Gowda was not able to attend the Select Committee meeting.

The approval of Mr. B. R. Puttananjappa to the report will be notified on receipt.

Printed by the Superintendent at the Government Press, Bangalore

G. R. S. VI.—s-III/14]

DRAFT.

SUBJECT.....

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Section. Leg
File No. 5
Serial No.

Proceedings of the Government of H. H. the Maharaja of Mysore.

Diary No. of letter replied to.....

GENERAL AND REVENUE SECRETARIAT,

( )

, *the*.....*191*

Order No. P 452.

Ordered that the accompanying Act to provide for the levy of a tax on retail sales of Motor Spirit in Mysore

which received the assent of His Highness the Maharaja, on the 9th day of July 1940, be published as ~~Regulation~~ Act No. XX of 1940 in the *Mysore Gazette* for general information.

Date of issue 19.7.40.

Signed by Mr. H. Y. N.

Secretary to Government.
for Law Secy

May this be—

(i) Printed?

(ii) Treated as a standing order?

(iii) Published in the "Gazette" English part?

(iv) Translated?

(v) Placed at the disposal of the Press?

(vi) Published in the "Gazette" Kannada part?

To

The Compiler, *Mysore Gazette*, for publication in Part IV of the Gazette, in English and Kannada and for supply of spare copies as per standing orders .....spare copies in English, and .....spare copies in Kannada to this office, and.....spare copies in English and.....spare copies in Kannada to the Curator, Government Central Book Depot, Bangalore. Proofs should be sent to this office for approval before publication.

Copy to Mr. Rahim Sahib.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE.

ORDER No. P 452 Legs S. 40-1

Dated, Bangalore, the 19th July 1940.

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Secretary to Government,
Law Department.

To

The Compiler, Mysore Gazette, for publication in Part IV of the Gazette, in English and Kannada and for supply of spare copies as per Standing Orders.

Copy to Translation Section.

TNR-3)

ACT No. XX OF 1940.

MYSORE SALES OF MOTOR SPIRIT TAXATION ACT, 1940.

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PRICE 0-1-0

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H. V. NARAYANA RAO,
Secretary to Government,
Law Department.

ACT No. XX OF 1940.

MYSORE SALES OF MOTOR SPIRIT TAXATION ACT, 1940.

An Act to provide for the levy of a tax on retail sales of Motor Spirit in Mysore.

(Received the assent of His Highness the Maharaja on the 9th day of July 1940.)

WHEREAS it is expedient to provide for the levy of tax on retail sales of motor spirit in Mysore;

It is hereby enacted as follows:—

1. (i) This Act may be called the Mysore Sales Motor Spirit Taxation Act, 1940.

(ii) It extends to the whole of Mysore.

(iii) This section shall come into force at once. The Government may, by notification in the official Gazette, apply all or any of the other provisions of this Act from such date as may be specified in the notification.

2. In this Act, unless there is anything repugnant in the subject or context—

(*a*) "Government Treasury" means the State Huzur Treasury, Bangalore, or any District or Taluk

reasury of the Government; and includes any office or branch of a Bank notified as a Government Treasury for the purposes of this Act;

(*b*) "importer" means any person who imports motor spirit into Mysore;

(*c*) "motor spirit" means any substance which by itself or in admixture with other substances is ordinarily used directly or indirectly to provide reasonably efficient fuel for automotive or stationary internal combustion engines, and includes petrol, diesel oil and other internal combustion oils, but does not include kerosene, furnace oil, coal or charcoal;

(*d*) "petrol" means dangerous petroleum as defined in the Petroleum Act, 1923; and includes petrol mixed with alcohol in accordance with the provisions of the Mysore Power Alcohol Act, 1939;

(*e*) "prescribed" means prescribed by rules made under this Act;

(*f*) "retail dealer" means any person who sells or keeps for sale motor spirit for the purposes of consumption by the person by whom or on whose behalf it is or may be purchased;

(*g*) "retail sale" means a sale of motor spirit by a retail dealer for the purpose of consumption by the person by whom or on whose behalf it is or may be purchased, and the expression "sell in retail" shall be construed accordingly; and

(*h*) "wholesale dealer" means any person who sells motor spirit, or keeps motor spirit for sale, to dealers in such spirit, for the purpose of trade.

Explanation.—A sale of motor spirit by a co-operative society or a club, a firm or any association to one of its members for consumption is a retail sale within the meaning of clause (*g*).

3. (i) Subject to the provisions of this Act, there shall be levied on all retail sales of motor spirit effected after the commencement of this Act, a tax,

in the case of petrol,—at the rate of one anna per gallon, and

in the case of any motor spirit other than petrol—at the rate of six pies per gallon;

and such tax shall be payable by the person effecting the sale :

Provided that the Government may, from time to time by notification in the official Gazette, fix any other rate at which the tax shall be payable :

Provided further that no such notification shall come into force until approved by a resolution of the Legislative Council.

(ii) Where any retail dealers obtain their supplies of motor spirit from an importer or a wholesale dealer, it shall be open to the Government, by agreement with the importer or wholesale dealer, to levy from him in advance the tax which may be payable by the retail dealers under sub-section (i) on the sale by them of the motor spirit and the provisions of this Act relating to the assessment and recovery of tax shall, subject to such conditions as may be agreed upon, apply to the importer or wholesale dealer accordingly.

(iii) No tax shall be levied under this Act on the sale of any motor spirit in respect of which such tax has already been paid.

4. (i) No person shall, after the commencement of this Act, carry on business in motor spirit as an importer or as a wholesale or retail dealer at any place in Mysore unless he has been registered as such under this Act :

Provided that persons carrying on business at the commencement of this Act shall be allowed two months from such commencement to get themselves registered under this Act.

Explanation.—Where a person has more than one place of business, whether in the same town or village or in different towns and villages, he shall get himself registered separately in respect of each such place of business.

(ii) (*a*) No importer or wholesale dealer shall, unless also registered as a retail dealer under this Act, sell motor spirit for consumption or sale in Mysore to any person other than an importer or a wholesale dealer or a retail dealer, registered as such under this Act.

(*b*) No retail dealer shall use or transfer for consumption any motor spirit stocked by him without its

being included in his accounts and in the next return of retail sales submitted by him under section 5 (*b*).

(iii) Application for registration as an importer or a wholesale dealer or a retail dealer under this Act shall be made in such form and to such authority as may be prescribed.

(iv) Registration may be made subject to such conditions if any, as may be prescribed, including in the case of an applicant for registration as a retail dealer, the making of such deposit or the furnishing of such security as the registering authority may consider necessary to ensure the due payment of the tax, which may from time to time be payable by him.

(v) No person including a company or firm registered as an importer, a wholesale dealer or a retail dealer, shall carry on the business of public transport requiring the use of motor spirit.

(vi) Any registration under sub-section (i) may be suspended or cancelled by such authority, for such reasons and in such manner, as may be prescribed.

5. Every retail dealer in motor spirit shall in respect of each place where he carries on business —

(*a*) keep books of account in the prescribed form ; and

(*b*) submit every month to the Deputy Commissioner and to such other officers as may be prescribed, a return in the prescribed form and before the prescribed date, showing—

(i) the quantity of motor spirit received by him during the preceding month ;

(ii) the quantity sold by him during such month ; and

(iii) such other particulars as may be prescribed.

6. Along with the return referred to in clause (*b*) of section 5, the retail dealer shall furnish a receipt from a Government Treasury for the amount of the tax due in respect of the motor spirit sold by him in retail during the preceding month, according to the return.

7. (i) If no return is submitted by a retail dealer under clause (*b*) of section 5 in respect of any month before the date prescribed in that behalf, or if the return is submitted without a receipt for the full amount of the tax due as required under section 6, or if the return submitted

appears to the Deputy Commissioner to be incorrect or incomplete, the Deputy Commissioner shall, after making such inquiry as he considers necessary, determine the amount of the tax due from such retail dealer in respect of such month and the amount so determined less the sum, if any, already paid by him shall be paid by the retail dealer into a Government Treasury within fourteen days after demand is made therefor :

Provided that before taking action under this sub-section, the retail dealer shall be given a reasonable opportunity of proving the correctness and completeness of his return.

(ii) In default of payment within the period aforesaid, the amount of tax due shall be recovered from the person from whom the tax is due as if it were an arrear of land revenue.

8. Every importer or wholesale dealer, shall—

(*a*) keep books of account in the prescribed form, and

(*b*) submit every month to the Deputy Commissioner and to such other officers as may be prescribed, a return in the prescribed form and before the prescribed date, showing—

(i) the quantity of motor spirit received by him in the preceding month,

(ii) the quantities of motor spirit supplied by him during such month to other importers, wholesale dealers or retail dealers specifying the name and address of each importer, wholesale dealer or retail dealer, the quantities supplied by him, and the dates on which the supplies were made, and

(iii) such other particulars as may be prescribed.

9. (1) All accounts and vouchers relating to stocks, purchases, sales and deliveries of motor spirit kept by importers, wholesale dealers and retail dealers and the stocks of motor spirit with them shall be open to inspection by such officers as the Government may authorise in that behalf.

(2) Any such officer shall have power to enter and search any building, vehicle or place where any importer, wholesale dealer or retail dealer carries on business or keeps any stock of motor spirit.

10. Any person who—

(*a*) carries on business in motor spirit as an importer, a wholesale dealer or a retail dealer at any place without getting himself registered as required by sub-section (i) of section 4 or when his registration in respect of such place is not in force, or

(*b*) fails to keep books of account as required by clause (*a*) of section 5 or of section 8, or

(*c*) fails to submit any return as required by clause (*b*) of section 5 or of section 8 on or before the prescribed date, or submits an incorrect or incomplete return or fails to submit a receipt for the full amount of the tax due as required by section 6, or

(*d*) fails to pay the tax due from him within the time allowed, or

(*e*) fraudulently evades the payment of any tax due under this Act, or

(*f*) acts in contravention of any of the provisions of this Act,

shall, on conviction by a Magistrate of the First Class, be liable to a fine which may extend to one thousand rupees and where the breach is a continuing one, to a further fine which may extend to fifty rupees for every day after the first during which the breach continues.

11. The motor spirit in respect of which an offence against this Act is committed and any receptacle in which such spirit is contained shall be liable to confiscation.

12. (i) When in any case tried by a Magistrate, the Magistrate decides that any thing is liable to confiscation under section 11, he may, after hearing the person, if any, claiming any right there to and the evidence, if any, which he produces in support of his claim, order confiscation or may give the owner an option to pay such fine as the Magistrate deems fit in lieu of confiscation.

(ii) When an offence against this Act has been committed but the offender is not known, or cannot be found, or when anything liable to confiscation under this Act and not in the possession of any person cannot be satisfactorily accounted for, the case shall be enquired into and determined by the prescribed officer who may order such confiscation :

Provided that no such order shall be made until the expiration of one month from the date of seizure of the

things intended to be confiscated or without hearing the persons, if any, claiming any right thereto, and the evidence, if any, which they produce in support of their claims.

13. (i) Any officer of the Government specially empowered by it in this behalf may issue a warrant for the arrest of any person whom be has reason to believe to have committed an offence against this Act.

(ii) All warrants issued under this section shall be executed in accordance with the provisions of the Code of Criminal Procedure, 1904, by a Police Officer, or if the officer issuing the warrant deems fit, by any other person.

14. Any officer of the Government specially empowered by them in this behalf may—

(*a*) enter and search any building, vehicle or place in which he has reason to believe that any motor spirit liable to confiscation under this Act is kept or concealed;

(*b*) seize any motor spirit and any receptacle which he has reason to believe to be liable to confiscation under this Act; and

(*c*) detain, search and arrest any person whom he has reason to believe to be guilty of any offence against this Act.

15. The provisions of section 61 of the Code of Criminal Procedure, 1904, shall apply to all arrests without warrant made under the last preceding section.

16. Every officer employed by the Government or by any local authority shall be bound to give immediate information at the nearest police station or, if so required by any general or special order issued by the Government, to the nearest Excise Officer of rank not below that of a sub-inspector, of all breaches of any of the provisions of this Act which may come to his knowledge; and all such officers shall be bound to take all reasonable measures in their power to prevent the commission of any such breaches which they may know or have reason to believe are about or likely to be committed.

17. (i) Every officer of the Excise, Police or Land Revenue Department not below such rank as may be prescribed, shall, within the area for which he is appointed, have power to investigate all offences against this Act.

(ii) Every such officer shall, in the conduct of such investigation, exercise the powers conferred by the Code of

Criminal Procedure, 1904, upon an officer in charge of a police station for the investigation of a cognizable offence:

Provided that if such officer is of opinion that there is not sufficient evidence or reasonable ground of suspicion to justify the forwarding of an accused to a Magistrate, or that the person arrested may be discharged with a warning, such officer shall release him on his executing a bond, with or without sureties, to appear if and when so required before a Magistrate and shall make a full report of the case to the Deputy Commissioner.

18. (i) All offences against this Act shall be bailable.

(ii) Any officer empowered under section 17 shall have power to grant bail in accordance with the provisions of the Code of Criminal Procedure, 1904, to any person arrested without warrant for an offence against this Act.

19. When anything has been seized by an officer exercising powers under section 17, such officer, after such inquiry as he considers necessary—

(*a*) if it appears that such thing is required as evidence in the case of any person arrested, shall forward the thing to the Magistrate to whom such person is forwarded or for his appearance before whom bail has been taken:

(*b*) if it appears that such thing is liable to confiscation but is not required as evidence as aforesaid, shall send the thing with a report of the particulars of the seizure to the prescribed authority; and

(*c*) if no offence appears to have been committed, shall return the thing to the person from whose possession it was taken and shall report to the prescribed authority accordingly.

20. (i) The prescribed authority may accept from any person who has committed or is reasonably suspected of having committed an offence against this Act, by way of composition of such offence—

(*a*) where the offence consists of a sale of motor spirit in contravention of this Act or of the evasion of any tax payable under this Act, in addition to the tax payable by him under section 3, a sum of money not exceeding five hundred rupees or double the amount of the tax payable, whichever is greater; and

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(*a*) where the offence consists of a sale of motor spirit in contravention of this Act or of the evasion of any tax payable under this Act, in addition to the tax payable by him under section 3, a sum of money not exceeding five hundred rupees or double the amount of the tax payable, whichever is greater; and

(*b*) in other cases, a sum of money not exceeding five hundred rupees.

(ii) On the payment of such sum of money and the tax, if any, payable under section 3, to the prescribed authority, the accused person shall be discharged, the property seized, if any, shall be released and no further proceedings shall be taken against such person or property in respect of such offence.

21. (i) No Magistrate shall take cognizance of any offence against this Act—

(*a*) except upon the complaint or report of the Deputy Commissioner or other prescribed authority, or

(*b*) except upon his own knowledge or suspicion.

(ii) Except with the sanction of the Government, no Magistrate shall take cognizance of any offence against this Act, unless the prosecution is instituted within six months from the date on which the offence is alleged to have been committed:

Provided that nothing contained in this sub-section shall apply to any case governed by section 23.

22. (i) No suit, prosecution or other proceeding shall lie against any officer or servant of the Government, for any act done or purporting to be done under this Act, without the previous sanction of the Government.

(ii) No officer or servant of the Government shall be liable in respect of any such act in any civil or criminal proceeding, if the act was done in good faith in the course of the execution of duties or the discharge of functions imposed by or under this Act.

23. No suit shall be instituted against the Government, and no suit, prosecution or other proceeding shall be instituted against any officer or servant of the Government in respect of any act done or purporting to be done under this Act, unless the suit, prosecution or other proceeding is instituted within six months from the date of the act complained of.

24. (i) Any person aggrieved by any order passed under this Act, not being an order passed by any court or Magistrate, may appeal—

(*a*) in case such order is passed by a Deputy Commissioner, to the Government, and

(*b*) in any other case, to the Deputy Commissione

(ii) The appellate authority may, after giving tl appellant an opportunity of being heard, pass such orde on the appeal as such authority thinks fit.

(iii) Every order passed in appeal under this sectic shall, subject to the powers of revision conferred b section 25, be final.

25. The Government may, at any time, call for ar examine the record of any order passed by, or ar proceedings recorded by, any officer or person under th Act, for the purpose of satisfying itself as to the legalit or propriety of such order, or as to the regularity of suc proceedings, and may pass such order in reference there at it thinks fit.

Nothing contained in this section shall apply to tl orders or proceedings of any court or Magistrate.

26. (i) The Government may make rules to car out the purposes of this Act.

(ii) In particular and without prejudice to tl generality of the foregoing power, such rules may provi for—

(*a*) all matters expressly required or allowed l this Act to be prescribed;

(*b*) the regulation of the sale of motor spirit f the purpose of enforcing the provisions of this Act;

(*c*) the duties and powers of inspecting and oth officers appointed or authorised to exercise any powe under this Act, and the procedure to be followed by suc officers;

(*d*) the form in which, and the time within whic appeals under section 24 may be preferred; and

(*e*) any other matter for which there is no provision or no sufficient provision in this Act and for which provision is, in the opinion of the Government, necessary for giving effect to the purposes of this Act.

(iii) In making a rule under sub-section (i) or sub-section (ii), the Government may provide that a breach thereof shall be punishable with fine which may extend to one thousand rupees and where the breach is a continuing one, with further fine which may extend to fifty rupees for every day after the first during which the breach continues.

(iv) The power to make rules conferred by this section shall, except on the first occasion of the exercise thereof, be subject to the condition of the rules being made after previous publication for a period of not less than four weeks.

27. All rules made and notifications issued under this Act shall be published in the official Gazette and upon such publication, shall have effect as if enacted in this Act.

MIRZA M. ISMAIL,
Dewan.

Price: 0-1-0

GOVERNMENT BUSINESS (continued).

BILL FURTHER TO AMEND THE CODE OF CRIMINAL PROCEDURE, 1904.

The Secretary to Government, Law Department (M Subrahmanya Aiyar) explained the general principles o Bill as follows:--

Mr. Bhupalam R. CHANDHASEKHARAYYA asked whether, instead of calling in the aid of the Auxiliary Force (India), it would not be more desirable to station a unit of the Mysore Military force on the Kolar Gold Field.

Mr.C. SUBRAHMANYA AIYAR replied that such an arrangement would be more costly.

Mr. ALFRED MIDDLETON enquired whether this amendment of the Code would not enable the Mysore authorities to make use of the other units of the Auxiliary Force in emergencies arising in other districts.

Mr. C. SUBRAHMANYA AIYAR replied that if the Government of India empowered the local government to use the force, it could be done.

The general principles of the bill were thereupon accepted.

WD 3662
1 to 53

PROCEEDINGS OF THE MYSORE REPRESENTATIVE ASSEMBLY.

DASARA SESSION—OCTOBER, 1939.

FIRST DAY.

Monday, 16th October 193

The Dasara Session of the Mysore Representative Assembly was held in the Jagan Mohan Palace Pavilion, Mysore, commencing at 12 of the clock on Monday, 16th October 1939, Mr. President (*Amin-ul-Mulk* Sir Mirza M. Ismail, K.C.I.E., K.B.E., Dewan) in the Chair.

The names of the members present are given in the Appendix.

Rising in the midst of cheers, the President read the following address :—

MEMBERS OF THE REPRESENTATIVE ASSEMBLY,

I am glad to welcome you on the opening of another session.

The War.

We meet to-day in an atmosphere darkened by clouds of war. Though our normal life is threatened with no immediate danger, thanks to the protecting arm of Great Britain, we must remember that we are only at the beginning of what may prove to be a long and bitter struggle, and that sooner or later India will be called upon to take her share in it.

Nobody can foresee the character and final results of this war. The British Government are preparing themselves for a war of three years or more. We can only hope and pray that it may not last so long, for the longer it lasts the more disastrous and far-reaching will be its consequences. Let us, therefore, hope that a settlement based upon the enduring foundations of justice and understanding between nations will be reached much earlier, so that the awful loss of life, and the irreparable waste and destruction may be diminished, and the moral relapse that invariably follows the tension of prolonged warfare, may be avoided. Let us hope that the insane excesses of nationalism, which characterise present-day Germany, will give way to a new sentiment of human fraternity.

We can confidently look to the British nation to do all that lies in its power to restore hope to the world, to ensure justice and liberty and to re-establish a new world order. Our fortunes are so inextricably bound up with those of Great Britain that no right-thinking man can but wish her a speedy and complete victory. It is a matter of genuine satisfaction to all Indians that India has taken her stand by the side of England in the cause of freedom and in the defence of a great principle—"the principle that the relations between civilised States must be regulated, not by force, but by reason and law."

I will now proceed to make, as usual, a brief survey of the activities of the various departments of the administration during the past year, and to give you an idea of our programme for the coming year.

Seasonal Conditions.

The seasonal conditions were not quite satisfactory. Rainfall was not timely nor well distributed in most parts of the State during the year under

review. There was even scarcity of fodder and drinking water in some places necessitating the adoption of relief measures.

Many State forests were thrown open to free grazing. The Deputy Commissioners of Districts were instructed to grant fodder loans liberally wherever necessary, and to encourage the sowing of quick-growing fodder crops like *bili-jola* in tank beds.

Construction of roads, tanks and wells was taken up on a large scale wherever it was considered necessary to provide work for the agricultural classes. The Deputy Commissioners were instructed to waive the *raiyats'* share of contribution in respect of such tank works.

Administrative Changes.

Mandya was constituted into a new district. The Bangalore taluk, which consisted of nine *hoblis*, has been split up into two taluks—North and South.

Record of Rights.

The work connected with the Record of Rights and the Index of Land Registers was completed in twelve taluks. The work has now been taken up in four other taluks, and sanction has been accorded to the extension of the scheme to three more taluks.

Land Revenue.

The total land revenue demand for the year, including the arrears of previous years, was Rs. 1,47,43,592, as against Rs. 1,44,46,709 for 1937-38. Out of this, a sum of Rs. 1,23,54,642, including the amounts remitted, was collected during the year, as against Rs. 1,25,04,848 in the previous year. The percentage of total collections to the total demand works out at 83·66 for the year, as against 86·55 for 1937-38.

According to the existing rules, land containing sandal trees, when granted for occupation, should always be sold by auction and the upset price should include the present value of the bonus that would be payable to the occupant for trees. As this prevented the free grant of land containing sandal trees to the poor classes, Government relaxed the rules and empowered the Deputy Commissioners to waive the recovery of the bonus. Further, in order to prevent the alienation of lands granted at concession rates, a condition has been imposed preventing the sale of these lands.

I shall briefly indicate the several measures adopted by Government to give relief to the *raiyats*, which illustrates the spirit that has always been behind the land revenue policy of our State.

Remission of land tax has been granted on a liberal scale. The rule providing for such a grant only in the case of the failure of previous harvests was relaxed, and the rules for the grant of seasonal remission were made applicable for the first time to rain-fed lands not forming the *atchkat* of any tank. Pending sanction of Government, suspension of the collection of half the wet assessment was permitted not only in cases where remission had been recommended, but also in those in which remission is, in the opinion of the Deputy Commissioners, permissible under the rules.

The rules governing the grant of remissions in areas suffering from drought have been further liberalised. The Deputy Commissioners have been empowered to suspend the collection of one-fourth of the assessment, the uncollected sum to be recovered in the following year or remitted altogether if the crops fail again.

The slump in the coffee and the cardamom markets is persisting. Under the Coffee Takavi Loan scheme, loans to the extent of Rs. 5,700 and Rs. 93,350 were given in the Hassan and Kadur districts, respectively.

Government have since appointed a Committee, consisting of officials and non-officials, with the Revenue Commissioner as Chairman, to investigate the condition of the coffee industry and to suggest further measures to help it in the difficult times through which it is passing.

The problem of ameliorating the condition of the rural population continued to receive the earnest attention of the Revenue officers. Rural welfare work has, I am happy to say, evoked a good deal of enthusiasm in the people, and there is an insistent demand for bringing

ing more and more villages under the scheme.

The present position in regard to drinking-water wells in rural areas is encouraging; 12,018 villages have been provided with wells, of which 1,503 have separate wells for the depressed classes. A Committee, under the Chairmanship of the Revenue Commissioner, was constituted to concert measures for the uplift of the depressed classes. The Debt Conciliation scheme is in operation in six taluks.

The Closepet Rural Welfare Centre has been of immense benefit to the villages. His Excellency the Viceroy was pleased to visit the Centre on January 13, 1939, when an exhibition was organized to demonstrate the various activities carried on in the area.

The District and Taluk conferences proved of great practical value. Important matters affecting the general life of the *raiyat* population were discussed at these conferences, in which both officials and non-officials took part, and action is being taken on their recommendations.

Muzrai.

The Muzrai Department has given a good account of the several educational institutions under its control. The order for the utilization of Rs. 5,040 from the *chattram* funds for giving cash doles to the old and indigent has been well received by the public.

The temples at Belur and Halebid are being renovated and the electrification of the Sri Chennakesavaswami Temple at Belur has been completed.

Sanction was accorded to two schemes costing Rs. 25,197, for water-supply to the *jathra* grounds of Ghati Subrahmanya and Bettadapur.

The "Mahamastakabhisheka" ceremony of Sri Gomateswaraswami at Sravanabelagola in February next promises to attract a large gathering of Jains from all parts of India. Government have sanctioned an expenditure of Rs. 30,045 in connection with the ceremony.

Excise.

The income from Excise showed a fall of Rs 84,519. The rate of duty on *ganja* has been raised from Rs. 27-8-0 to Rs. 30 per seer. The rates of tree-tax on date and cocoanut trees were raised from Rs. 3 and Rs. 5 to Rs. 3-6-0 and Rs. 5-4-0, respectively. There was a large fall in the consumption of arrack and special liquors.

In the experimental prohibition area in the Closepet Rural Welfare and Health Centre, twenty-three excise shops were closed, including five at Chennapatna, resulting in a fall of 230 gallons in the consumption of arrack. The consumption of *ganja* fell by 65 seers. There was a decrease of 340 date and 206 cocoanut trees in the number licensed for tapping toddy in these taluks.

Special measures were adopted to prevent smuggling of narcotics and strict control was exercised over their sale.

A sum of Rs. 3,52,447, being the share of the State in the proceeds of the excise duty on matches, has been received from the Government of India.

Forest.

The Forest Department had a busy and prosperous year. An addition of 20,99 sq. miles was made to the State Forests, which now comprise an area of 3,716·96 sq. miles.

The Forest Research and Experimental Institute at Bangalore, to which I referred in my address at the last Dasara session, commenced work during the year. It is engaged, among other things, in experiments for the economic utilization of the various species of jungle wood to be found in our forests. These woods appear to be well suited for the manufacture of furniture.

A subsidy of Rs. 3,000 has been granted to the Natural History Society of Bombay which has undertaken to make a complete survey of bird life in Mysore, and supply specimens to the Museum at Bangalore. The possibility of having a bird sanctuary in the island of Seringapatam is being examined.

The development of fisheries is also engaging our attention, and we are trying to obtain the services of an expert for the purpose.

Legislation is proposed to be introduced for the protection of wild life on the lines recommended by the Game Laws Committee. This will, it is expected, prevent the wanton destruction of valuable fauna.

Khedda operations were conducted during the visit of His Excellency the Viceroy to the State in January last. A herd of seventy-five elephants was captured, of which fifty were roped and the rest released as they were too old and unserviceable. Five of the animals retained were kept for Departmental use, five were given away as gifts and the remaining forty were sold for Rs. 28,950.

Stamps.

Although there has been a fall in stamp revenue to the extent of Rs. 57,000, it is gratifying to note that the operations of the Agricultural Relief Act and the Debt Conciliation Boards have had a beneficial effect.

Income-tax.

The demand under Income-tax rose from Rs. 19,24,678 to Rs. 20,60,019 and under Super-tax from Rs. 8,08,849 to Rs. 9,36,520.

Railway.

Our railway yielded a net revenue of Rs. 25·16 lakhs as compard with Rs. 21·38 lakhs last year, the gross revenue being Rs. 80·12 lakhs and the totla expenditure Rs. 54·96 lakhs.

By June next the Sagara-Talaguppe extension will be open to all classes of traffic. This will bring the Jog Falls within ten miles of the railway, besides facilitating the transport of electrical materials for the proposed hydro-electric scheme.

A fresh traffic and engineering survey at a cost of Rs. 2 lakhs has been sanctioned by the Government of India for the proposed Chamarajanagara-Satyamangalam line and the estimates are under preparation by the South Indian Railway.

Electrical Department.

The gross revenue demand of the Electrical Department for the year was Rs. 70,09,798, but the amount actually collected was Rs. 69,83,914, as against Rs. 66,99,191 in the previous year, showing an increase of 4·25 per cent. The increase is mainly due to the revenue derived from the Mysore Iron and Steel Works, the Cement and the Paper Factories and other industrial concerns and to the large number of new installations.

The energy generated was 252,095,833 B. O. T. U., as against 238,582,090 B.O.T.U. in the previous year, recording an increase of 5·66 per cent.

Government sanctioned the electrification of eleven new places during this year. and proposals for the electrification of nine others are under consideration. A capital expenditure of Rs. 6,57,822 was incurred on the several town and rural electrification projects. The number of towns and villages which were electrified by the end of 1938-39 was 185, as against 173 at the end of 1937-38.

The installation works at Sivasamudram were practically completed and the balancing reservoir was put in service from November 13,1938. The completion of these works now enables the Generating Station to accept loads up to 60,000 H.P.

The Shimsha works made rapid progress. An expenditure of Rs. 32,61,198 was incurred, bringing the total outlay on the project to Rs. 40,25,327, as against the detailed estimates of Rs. 59,75,000. Large quantities of materials, such as cement, timber, porcelain and iron were obtained from Government factories. With the exception of the switch-gear, the transformers and the second turbine unit, all the foreign materials have been received and are in course of erection.

The detailed estimates for the Jog project, designed to generate 128,000 H. P. in four stages of 32,000 H.P. each, and estimated to cost about Rs. 200 lakhs for the first and second stages, are under preparation. The inaugural stone of the project was graciously laid by His Highness the Maharaja on February 5, 1939.

The construction of a telephone line to Jog was completed, service roads and foot-paths were formed and the

transmission line is under construction. Extensive surveys and investigations for the location of the dam and the canal were conducted, and the results are being examined by a sub-committee of the Hydro-Electric Schemes Committee. An expenditure of Rs. 6,24,106 has so far been incurred on this project.

With a view to affording further relief to those who have been supplied with irrigation pumps on the hire-purchase system, the rate of interest was reduced from 5 to 4 per cent per annum, and the maximum period for the payment of the price was extended from two to five years. The condition requiring a guarantee to take power for a period of five years in respect of heating and cooking installations, whose capital cost did not exceed Rs. 1,000, was also ordered to be waived.

Telephone.

A gross revenue of Rs. 83,608 was realised from the telephone system. The cost of maintenance was Rs. 29,723. The net return on the capital cost of Rs. 8,31,163 works out at 6·49 per cent, as against 5·83 per cent in 1937-38.

Mines and Explosives.

There were only 48 mining blocks, as against 49 in the previous year. The total royalty payable was about Rs. 23,26,368, as against Rs. 25,11,515 in the previous year, showing a decrease of Rs. 1,85,147.

It may be stated here that the Gold Mining Companies which are at present paying two-thirds of the scheduled rates of supplementary royalty on dividends or "adjusted profits" applicable to the new leases, will begin to pay the full rates from 1940.

The total number of persons employed in the mining industry in 1938 was 25,985, as against 26,666 in the previous year, and the total number of fatal and serious accidents was 164, as against 218.

Geology.

The Geological Department maintains its reputation for alertness and intensive work. An aggregate area of about 800 square miles was surveyed in several parts of the State, about 60 acres at Guddadarangavvanahalli, near Chitaldrug, being surveyed by electrical methods.

The total area covered by mining leases and prospecting licences during the year was 70,515 acres and 25 guntas as against 72,323 acres and 23 guntas in the previous year. This reduction, in spite of the larger number of applications, is explained by the smaller areas applied for by individual applicants.

Among the striking geological finds may be mentioned the occurrence of about 100,000 tons of bauxite near Shivaganga. Though this may not be a suitable ore for the manufacture of aluminium, it could probably be used for preparing other industrial proucts, and the subject is under investigation. Prospecting operations for banxite were also conducted in two separate regions in the Kadur and Chitaldrug districts, in order to investigate the possibility of starting an aluminium industry in the State.

About 8,000 tons of asbestos are available near Idegondanahalli, Hole-Narasipur taluk. The possibility of utilizing this for making cement asbestos sheets is under investigation.

A detailed survey of the siliceous deposits near Bhadravati indicates the existence of nearly one and a half million tons of the mineral. These deposits will be useful for manufacturing glass, ferro-silicon and other products.

About twenty square miles of country round Shivaganga, in Holalkere taluk, were examined. In addition to the bauxite deposits, a number of other economic minerals, such as manganese ore, lithomarge and ochres and bluish quartz reefs, were located. The quartz is believed to be auriferous and is being tested.

Industrial Progress.

It has been decided to start a factory at Hassan for the manufacture of tools and agricultural implements. The Mysore Vegetable Oil Products Co., the Mysore Silk Filatures, and the Mysore Glass and Enamel Works have started operations, while the Mysore Chemicals and Fertilizers and the Mysore Coffee

Curing Works, are expected to follow suit shortly.

The Government Lac and Paint Factory started working in November, 1938 and has been supplying the requirements of the Mysore State Railway and the Public Works Departments. Its products have had a good reception in the local market. The Mysore Tannery is being placed on a sound joint-stock basis, and similar attempts are being made in the case of the Match Factory at Shimoga.

The total number of large-scale industries has now increased to thirty.

Government have been equally solicitous about the development of cottage and rural industries in the State in order to raise the general standard of living. In fact, this is the pivot of our policy of rural reconstruction.

A three-year plan for the development of rural industries, involving an expenditure of over Rs. 1¼ lakhs, has been recently sanctioned and is being actively carried out. In as many as thirty-five centres such village industries as smithies, lacquerware, improved pottery and coir-manufactures, tanning and leather work, mat-weaving, paper-making, oilseed-crushing and tile-making, are being established.

Demonstrations in improved methods of cotton weaving on handlooms were conducted in twenty-seven centres and 625 persons were trained. Improved appliances valued at about Rs. 3,200 were sold in these places. It is proposed to extend the demonstrations to twenty-six new centres.

In order further to assist handloom weavers, Government have abolished the octroi duty on hand-woven goods.

Industrial loans to the extent of 21,650 were sanctioned in 47 cases for starting such small industries as flour mills, power looms, coir manufacture, improved pottery, etc.

There were 879 students undergoing training in all the industrial schools and aided institutions in the State. The grant of small loans and other facilities to the students of these schools to start small industries in their villages was continued during the year. The question of re-organizing the courses of studies in these schools in order to make them useful centres of village industrial development and rural uplift in general, is under the consideration of the Department.

Mysore products are now attracting attention both in and outside the State. Local manufacturers of art-ware, etc., have been enabled to find a steady market for their products by the organization of show and sales rooms at important commercial centres.

Sericulture.

In spite of adverse conditions due chiefly to the continued dumping of foreign silk in this country, measures have been taken for the development of the silk industry in the State. A larger number of sericulturists are now alive to the advantages of using good tested seed. The Department is trying to stop altogether the use of unexamined seed by supplying all the examined seed needed by the sericulturists. It supplied 105 lakhs of examined seed during the year, as against 93 lakhs in the previous year.

The sericulturists appreciate the new variety of hybrid seed supplied by the Department as it gives them a larger yield. The silk produced has, as a result of the experiments undertaken by the Department, also steadily improved in quality.

Though market conditions are showing signs of improvement, the amount of protection afforded to the industry is still inadequate. The total imports of raw silk, silk yarn and artificial silk yarn, which amounted only to 14,215,805 lbs. in the year 1933-34, *i.e.*, a year before the protective tariff was levied, exceeded, on an average, 24½ million pounds per year during the following five years in which the tariff was in force. This shows that the protection granted to the industry is not adequate.

The Government of India are continuing the protection as an *interim* measure. The recommendations of the Indian Silk Tariff Board are still under their consideration and it is hoped that they will take a sympathetic view of the present condition of this ancient industry and grant adequate protection to it.

The Mysore Iron and Steel Works.

It is a matter for gratification that for the first time since they were started the Mysore Iron and Steel Works gave us a surplus which not only covers the entire depreciation on the plant for the current year, but also leaves a margin of about two and a half lakhs of rupees. Government do not, however, propose to take this profit to the revenue account, but will credit it to the depreciation fund against arrears. This policy will be continued until an adequate depreciation fund is built up.

Steady improvement in the operation of each section of the Works has contributed to this result. The only exception has been the wood distillation plant, the operation of which has become uneconomic on account of the syuthetic manufacture of methanol, acetone and acetic acid at a lower cost. Arrangements have, however, been made to run a portion of the plant continuously during the period of the war in order to supply the acetate of lime required for defence purposes.

It is anticipated that the financial results of the operation of the Works will show a further improvement during the current year, and Government, therefore, propose to levy a royalty on ore and seigniorage on wood, from which the Works have so far been exempts The question of the levy of an excise duty on steel ingots on the same basi. as in British India is also under consideration.

The Mysore Paper Mills.

Since Marce 1939 the Mysore Paper Mills have placed on the market different kinds of paper made of bamboo pulp and its quality has been widely appreciated. The construction of some of the auxiliary units, however, was not completed until recently. It also took some time to overcome the preliminary difficulties and to standardise operations, but the plant is now running smoothly and every attempt is being made to increase the 6utput and further reduce the manufacturing costs.

The Mills have been making a special variety of paper at prices which compare favourably with the present price of newsprint. They are also investigating the possibility of making mechanical pulp from local woods.

Judicial.

In the Judicial Department, on the civil side, the number of suits pending rose to 810, owing chiefly to the abnormal number of institutions (1,884) in the Munsiff's Court at the Kolar Gold Field in June 1939, in anticipation apparently that the Moneylenders' Bill would soon become law. The number of ordinary suits more than a year old was further reduced from 378 to 351. A few courts had no such arrears at all, and in many others there were only a few old cases pending for valid reasons.

In the number of criminal cases filed there was an increase of 832 or 2·8 per cent, with an increase of 393 or 0·89 per cent in the number of persons involved. In the percentage of convictions there was an increase of 4·5 per cent.

Medical.

With an average of one medical institution for every 91·6 square miles of area and for every 20,072 of the population—we maintained 320 medical institutions as compared with 294 in the previous year—Mysore compares favourably in the sphere of medical relief with any other advanced part of India.

Five new maternity homes, two child-welfare centres and one nursery school were opened during the year, bringing the total to forty-one maternity homes, thirty-two child-welfare centres and twelve nursery schools. A definite procedure for the opening of these institutions, as well as of dispensaries and wards in rural areas, has been recently laid down to ensure their proper maintenance.

A total sum of Rs. 1,54,000 was collected in the State towards the King-Emperor's Anti-Tuberculosis Fund. A State Tuberculosis Association, which will be affiliated to the Tuberculosis Association of India, has been constituted for the administration of this Fund. A [illegible] committee for the

Princess Krishnajammanni Tuberculosis Sanatorium, Mysore, was formed for looking after the health of the discharged patients.

The cultivation of medicial plants and herbs, the extension of the scheme of subsidised rural medical practitioners to four more centres and the campaign against venereal diseases may be mentioned among the other activities of the Department. Anti-venereal drugs were supplied free to some private missionary institutions.

Besides the examination of blood and smears free of cost in the State medical laboratories, depots were opened in the major medical institutions and in a few taluk dispensaries for the free supply of drugs to poor patients. The out-patient wards of the larger hospitals were extended in order to provide better facilities for the treatment of venereal diseases. A specialist was entrusted with the duty of organizing a State-wide campaign against these diseases.

Public Health.

The state of public health was, in general, satisfactory during the year. The total expenditure on public health was Rs. 52·6 lakhs, including the Rs. 19·5 lakhs spent by the Medical Department on the curative side. The increase of expenditure on public health, over that of the previous year, was over Rs. 7 lakhs. This expenditure is exclusive of what is incurred for the same purpose by the village panchayats.

I am glad to state that the vigilant work of the Department is being increasingly appreciated by the public. The year registered a low incidence of small-pox and a big drop in the number of deaths from cholera. As a preventive measure, 224,412 anti-plague and 6,462 anti-cholera inoculations and 250.780 vaccinations were performed. An anti-rat campaign by means of fumigation with cyanogas was also undertaken in 18 places and 6,284 houses were fumigated.

Malaria accounts for over thirty per cent of the total mortality in the State. The control of this disease is, therefore, a very important public health problem. In addition to the work in this direction already being carried out in various parts of the State, malaria control was begun in the towns of Chikmagalur and Sakrepatna during the year and malaria surveys were completed in a number of towns and villages.

Twelve water-supply, eleven drainage and seventeen bore-well projects were completed during the year.

Morbidity studies were continued. The order of healthiness in the districts, as indicated by the morbidity rates is (1) Bangalore (2) Tumkur (3) Chitaldrug (4) Mysore (5) Kolar (6) Hassan (7) Shimoga and (8) Kadur. The high morbidity rates in the cities are due to the existence of several medical institutions attended by many patients from outside. Detailed studies are being made to discover the localities in the *malnad* which are very bad in respect of morbidity and mortality and which, therefore, should first receive the benefit of specific remedial measures.

Insurance.

Fresh policies to the extent of nearly Rs. 57½ lakhs, annual receipts of nearly Rs. 39½ lakhs and a simple reversionary bonus of Rs. 20 per thousand per annum in respect of all with-profit policies in force on the date of the valuation—that represents the working last year of the Mysore Government Life Insurance Department, both in the official and public branches.

Agriculture.

The work of the Department of Agriculture was mainly concerned with crop and livestock husbandry and poultry farming.

The outstanding feature of the work in relation to crop husbandry was the improved correlation that has been brought about between the three lines of activity, namely, the research work of the scientific sections, statistical field experiments on the Government farms and practical demonstrations on the *raiyats'* own plots. The results of such correlation were specially noteworthy in the case of some important crops, such as, sugarcane, paddy, *ragi* and cotton.

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Besides the examination of blood and smears free of cost in the State medical laboratories, depots were opened in the major medical institutions and in a few taluk dispensaries for the free supply of drugs to poor patients. The out-patient wards of the larger hospitals were extended in order to provide better facilities for the treatment of venereal diseases. A specialist was entrusted with the duty of organizing a State-wide campaign against these diseases.

Public Health.

The state of public health was, in general, satisfactory during the year. The total expenditure on public health was Rs. 52·6 lakhs, including the Rs. 19·5 lakhs spent by the Medical Department on the curative side. The increase of expenditure on public health, over that of the previous year, was over Rs. 7 lakhs. This expenditure is exclusive of what is incurred for the same purpose by the village panchayats.

I am glad to state that the vigilant work of the Department is being increasingly appreciated by the public. The year registered a low incidence of small-pox and a big drop in the number of deaths from cholera. As a preventive measure, 224,412 anti-plague and 6,462 anti-cholera inoculations and 250,780 vaccinations were performed. An anti-rat campaign by means of fumigation with cyanogas was also undertaken in 18 places and 6,284 houses were fumigated.

Malaria accounts for over thirty per cent of the total mortality in the State. The control of this disease is, therefore, a very important public health problem. In addition to the work in this direction already being carried out in various parts of the State, malaria control was begun in the towns of Chikmagalur and Sakrepatna during the year and malaria surveys were completed in a number of towns and villages.

Twelve water-supply, eleven drainage and seventeen bore-well projects were completed during the year.

Morbidity studies were continued. The order of healthiness in the districts, as indicated by the morbidity rates is (1) Bangalore (2) Tumkur (3) Chitaldrug (4) Mysore (5) Kolar (6) Hassan (7) Shimoga and (8) Kadur. The high morbidity rates in the cities are due to the existence of several medical institutions attended by many patients from outside. Detailed studies are being made to discover the localities in the *malnad* which are very bad in respect of morbidity and mortality and which, therefore, should first receive the benefit of specific remedial measures.

Insurance.

Fresh policies to the extent of nearly Rs. 57½ lakhs, annual receipts of nearly Rs. 39½ lakhs and a simple reversionary bonus of Rs. 20 per thousand per annum in respect of all with-profit policies in force on the date of the valuation—that represents the working last year of the Mysore Government Life Insurance Department, both in the official and public branches.

Agriculture.

The work of the Department of Agriculture was mainly concerned with crop and livestock husbandry and poultry farming.

The outstanding feature of the work, in relation to crop husbandry was the improved correlation that has been brought about between the three lines of activity, namely, the research work of the scientific sections, statistical field experiments on the Government farms and practical demonstrations on the *raiyats'* own plots. The results of such correlation were specially noteworthy in the case of some important crops, such as, sugarcane, paddy, *ragi* and cotton.

Under agricultural research, several improved varieties of cane have been evolved and are undergoing statistical field tests. A large number of high-yielding paddy selections evolved by the Department have been released for cultivation and certain varieties of *ragi* which give a heavy yield and mature early have also been evolved and distributed. It has been found that a new variety of cotton—the Mysore-American II—yields better results in conditions prevailing in Mysore than any other variety yet tried in the State.

Field experimentation with statistical lay-outs has been developed in the last two years on the Irwin Canal Farm where field experiments in respect of the various crops, such as, sugarcane, paddy, *ragi* and cotton are concentrated. Nearly a hundred experiments are now being conducted on the Farm.

While one would regard these two lines of activity as important in themselves, what is still more important is the third line of activity which is concerned with the practical demonstration of the results of scientific investigation and research on the *raiyats'* own plots. The acid test of the success of the Agricultural Department and its usefulness to the *raiyats* lies in the extent to which it is able to influence farming operations and methods and the adoption of the improved processes.

"The great need at the present time," says Sir John Russel in his report on Agricultural Research in India, "is the wider and fuller use of existing science rather than the development of new science. There remains a great gap to be bridged—what can on present knowledge be accomplished and what is actually being done by the cultivators."

The gap which Sir John has referred to is sought to be bridged in Mysore by practical demonstrations on the *raiyats'* own fields. During the past year, 375 demonstrations in respect of sugarcane, 906 in respect of paddy and 93 in respect of *ragi* were carried out, and about 4,000 demonstrations, in all, have been provided for in the current year. A sum of Rs. 1,000 has been sanctioned for the purchase of the seed and manure required for these free demonstrations. It is gratifying to note that this line of activity has been meeting with an enthusiastic response from the *raiyat* population.

Livestock.

Turning now to livestock problems, it has been the aim of Government to enable the *raiyat* to make the fullest possible economic gain from his cattle by improving the breed. It is the intention of Government to convert the Amrit Mahal breed of cattle, originally famous for their use in connection with quick military transport, into utility animals which could be pressed into service by the agriculturist. To this end, Government are pursuing a policy of rearing these animals on farming conditions.

The Ajjampur Cattle Breeding Station with its sub-station at Basur, was established ten years ago. The establishment of another cattle farm of 500 Amrit Mahal cattle at Hunsur has been sanctioned this year. To improve the milch strain of the cattle in towns, Government have sanctioned the maintenance of good Hallikar bulls in the veterinary dispensaries at district headquarters.

Sheep breeding has also been receiving increasing attention of late. It is an important subsidiary occupation for the Mysore *raiyat*. The work that is being done by the Department in regard to sheep husbandry is concerned with increasing the income from the wool of the sheep. The work of the Kolar Sheep Breeders' Association has increased threefold during the last three years. This Association furnishes an excellent instance of how an organized association for both breeding and marketing can improve the income of sheep breeders.

The Mysore Sheep Breeders' Association started last year is also making good progress. The income from wool derived by the members of the Association is stated to have increased by as much as a hundred per cent, thanks to the improved breed of sheep reared and the improved methods of shearing and marketing that have been adopted. It

is the policy of the Department to start similar associations in other Districts also.

As regards poultry farming, the Department has now nine poultry farms in various centres in the State. There is considerable scope for increasing egg production in Mysore, not only to satisfy the local demand, but also for export.

I feel I should express our gratitude for the assistance and co-operation which the Department has been receiving from the Imperial Council of Agricultural Research in carrying on investigations in respect of a number of agricultural problems. The Mysore Thick Cane Breeding scheme under which certain new and improved varieties of sugarcane have been evolved, the scheme for improved sheep breeding in Mysore, and the Mysore scheme for poultry disease research, are some of the schemes which are being carried out by the Department with the active assistance of the Council.

Veterinary.

The number of veterinary institutions in the State has increased to 82 and it may be stated that as regards the ratio of the veterinary institutions to the total cattle population, Mysore occupies a high rank in India. Private philanthropy is largely responsible for this happy result.

Gardens.

The opening of horticultural and *mali* classes is expected to supply the demand for trained men. A special officer is in charge of the development of horticulture in the districts.

Co-operative Societies.

The State has been divided into five administrative divisions, each in charge of an Assistant Registrar, so that there may be continuous and effective control and supervision over the societies.

The most striking features of the work of the Co-operative Department were the increase in the number of societies, membership and share capital, despite the unfavourable seasonal conditions coupled with the long continued and unprecedented economic depression, the tightening of the coercive measures in older societies against contumacious defaulters, and the vigorous application of the rule restricting multiple membership in credit societies. The deposits held by the societies amounted to Rs. 128 lakhs and their reserve funds to Rs. 35 lakhs. The turnover aggregated Rs. 9 crores and the net profits Rs. 3·93 lakhs.

Side by side with the expansion of the movement on approved lines, the consolidation and rectification of older societies were carried out. Audit, inspection and supervision of the societies were placed on a better footing. The frozen assets of the societies were got revalued and arrangements made for their recovery in easy instalments by the grant of special concessions, such as, reduction of interest, complete remission of penal interest, etc. The question of amending the Act so as to enable the Department to ensure that the societies are worked more efficiently and to prevent abuses in their working is receiving attention.

To remedy one of the main defects of the movement which is more or less one-sided now, credit preponderating, and to make it subserve the needs of the agriculturists to a larger extent, the attention of the Department is being directed to the development of non-credit activities.

I referred in my address last Dasara to the starting of the Plantain Growers' Marketing Society at Hiriyur, the Fig Marketing Society at Ganjam and the Co-operative Cotton Seeds Society at Chitaldrug. The possibilities of forming societies for the supply of butter in parts of Mandya, Nanjangud, Chamarajanagar, Maddur and Nagamangala taluks have been investigated and the formation of a society for the marketing of pomegranates from the Madhugiri taluk is receiving attention. A Potato Growers' Marketing Society has been formed at Ramagondanahalli and the co-operative sale of areca and other crops of commercial importance is receiving attention. An officer was deputed to study the markets for Mysore areca in the Madras Presidency.

The organization of multi-purpose societies and of multiple activities among the existing credit societies, wherever conditions are favourable and the proper personnel to manage the concerns efficiently is available, is engaging the attention of the Department.

The land mortgage societies registered marked progress in both membership and share capital. The lending operations of the Land Mortgage Bank were extended to four more taluks and by the end of the year thirty-three taluks, three sub-taluks and portions of three other taluks had been brought within its jurisdiction. The Bank has been permitted to float a fifth series of debentures to the extent of Rs. 5 lakhs at 3½ per cent interest. The Deputy Registrar of Co-operative Societies has been placed in exclusive charge of the Land Mortgage scheme and the development of the non-credit side of the movement.

Joint Stock Companies.

The total paid-up capital of the companies limited by shares is Rs. 2,46,79,411, as against Rs. 2,08,81,374 in the previous year.

Nineteen new companies were floated and ten old companies closed down either on account of voluntary or compulsory liquidation or on being struck off the registers.

Education.

The Education Department continues to expand, both in the number of institutions and of students. In my address to this House a year ago, I had recorded an increase in the number of educational institutions amounting to 210, and an increase in the total strength of these institutions amounting to just over 13,000. This year I have to record that there has been a further increase over last year of 286 institutions—public and private—and their strength has risen by nearly 24,000 pupils. The total number of educational institutions now is 8,327 and the number of pupils is 376,667. Comment is sometimes made that educational expansion is not as rapid as it should be, but these figures go to show that there is a steady and increasing growth from year to year.

High School Education.

A new High School aided by Government was opened at Bhadravati on June 7, 1939, and its strength reveals the fact that it is appreciated in the district. In March 1940 the first S.S.L.C. Examination under the revised scheme will take place. In order to provide for those candidates who have already sat and failed under the existing scheme, Government have ordered three additional examinations to be held for such candidates. These will take place in November 1939, March 1940 and November 1940.

Middle School Education.

Middle School education continues to be a perplexing problem. Five new middle schools have been opened since the commencement of this school session in May 1939. There has also been a steady increase in the enrolment in the existing schools, and this has necessitated the opening of additional sections in many of them.

I have on more than one occasion during the past two years alluded in my addresses to this House to the problem of the perpetually increasing demand for middle school education in the State. I have already indicated that the problem of re-imposition of fees is one that cannot be much longer delayed. This State enjoys a concession in this matter not known elsewhere in India, and with increasing pressure upon Government for the expansion of primary education, the financial aspect of free middle school education is one that must now be resolutely faced. If there is to be any very large expansion of primary education—and this is a matter about which there can be no difference of opinion—the time has now come when those who can afford to pay for middle school education must be asked to do so. In urban areas, in particular, there are large numbers of people who can well afford to pay for their children's education at this stage.

Vocational Education.

Throughout India there is constant reference in these days to vocational

instruction. In 1956, Government sanctioned the conversion of the Central Adikarnataka Institute into a complete Vocational Middle School. I regret to have to say that Government's generosity in this matter has not received that measure of appreciation which we are entitled to expect, and the strength in the new vocational school is less than it should be.

Provision has been made in this year's budget for the construction of a vocational school at Tirumkudlu in which carpentry and lacquer-work are proposed to be taught. Lacquer-work is already a vocational instruction in the middle school at Sosale nearby, and carpentry at Gargeswari, but despite this fact, the response to the proposed new school has been disappointing. Only seven pupils have signified their willingness to join such a vocational school, if it is opened.

These two instances seem to me to reveal a rather disquieting state of affairs. On all hands, Governments are assailed with complaints of the uselessness of the so-called literary education. When, however, attempts are made, as in the two instances cited above, to divert pupils into technical courses of instruction, it is found that there is a most inadequate response. In every country in the world there is a fairly large percentage of children who are intellectually unable to profit from those courses of study which lead ultimately to the University. If recent experiences in the Education Department are any guide, it would appear that this fact has not yet been realised in this State.

Many people have evidently yet to grasp the fact that it is better to earn an honest living as a skilled artisan than to fail in the Middle School or in the S.S.L.C. Examination and join the band of those unsuccessfully seeking employment for which they are not qualified. Vocational education is an expensive type to provide, and there is great need for a re-orientation of public opinion regarding it before Government embark upon further expensive schemes. In the light of recent experiences in the Education Department, a detailed survey of the possiblities is very desirable.

Primary Education.

In my address to this House at the last Dasara session I referred to the *ad interim* report of the Committee which Goverement had appointed to enquire into the working of the Elementary Education Regulation. This Committee has recently completed its work and the final report is now receiving the consideration of Government. It is on the lines already indicated in the *ad interim* report, and it is proposed to start 1,000 new primary schools during the next four years.

The main problem in any such scheme of expansion is naturally that of financing it, and the proposals of the Committee in this respect are being carefully examined. Apart from finance, the main recommendation of the Committee is that Government should resume control of Elementary Education. In order, however, that public opinion in the State may be at the disposal of Government and the Education Department, it has been proposed that there should be in each district advisory committees, as well as a Central Advisory Committee for Primary Education. By this means it is expected that Government will be kept constantly informed regarding local opinion, while the advantages of centralised departmental control will also be obtained.

The Committee has also made proposals for the training of more teachers, and is very insistent that no teacher should in future be confirmed in the Department until he has a proper professional qualification. The carrying out of this reform will mean increased cost, but the results will be well worth the money spent.

The Committee has also proposed the expansion of the Inspecting Agency for primary schools. There are now Assistant Inspectors who have nearly 190 schools in their jurisdictions, and it has for some time been realised in the Education Department that this is one of the main factors which leads to wastage in primary education. The Committee has proposed that no Assistant Inspector

should have in his charge more than 100 primary schools. This reorganization of the Inspectorate is a fundamental part of any scheme of expansion of primary education, because money spent in other ways will not produce its full value unless it is possible at the same time to provide adequate supervision and control.

University.

The University continued to increase in numbers and in the range and volume of its activities. The number of students in the several institutions increased from 3,143 in 1937-38 to 3,414 in 1938-39 and the larger part of the increase took place in the Intermediate classes where the number increased from 1,768 to 1,987. This enormous number of students in the Intermediate stage is concentrated, with the exception of pupils in the Women's Colleges, in the two Intermediate Colleges at Mysore and Bangalore, the latter alone having over a thousand students.

It has been increasingly felt that the young students, after completing their High School courses, are best educated in places nearer their homes and in a familiar environment, instead of being all gathered together at Mysore and Bangalore. Accordingly, the University examined the question of reviving the Intermediate Colleges at Shimoga and Tumkur, but on account of lack of accommodation, this could not be done in the new academical year. Proposals for opening them in June 1940 are under consideration.

Overcrowding in the several degree courses and the increasing number of graduates have given rise in Mysore, as elsewhere in India, to the familiar problem of educated unemployment. The University took two measures to deal with the problem : one was the institution of an Employment Bureau, whose main function will be to find suitable avenues of employment for the young graduates, and to maintain intimate relations with employers of educated labour, in the interests of the University graduates.

A more radical measure was the institution of post-secondary diplomas in vocational subjects, such as, agriculture, sericulture, veterinary science, civil, mechanical, electrical and automobile engineering, pharmacy, music, domestic science, printing and binding, and commerce and administration. The underlying idea is that a diversion should be effected, at the end of the high school stage, from the usual degree courses of pupils whose temperaments and capacities are suited to other courses. This will also help to lead them to avenues of employment where the demand for their services is likely to be better. The scheme prepared by the University was sanctioned during the year and it is hoped to start some of these courses in 1940-41. The inauguration of the scheme has been facilitated by the transfer of the School of Engineering to the control of the University. The new courses in engineering will come into operation in the school from 1940-41, but side by side with the Diploma courses there will also be conducted the old lower grade courses.

An important amendment to the Mysore University Act was passed by the Legislature, by which the University will be able in future not only to administer colleges and schools directly as hitherto, but also to recognise and affiliate colleges managed by other agencies. This will be a means of bringing under common control institutions of higher education in the State itself and it may also help to bring under one common University the system of higher education in all Karnataka.

Several measures of academic importance were also under consideration during the year, *viz.*, the institution of courses in geography, bio-chemistry, chemical engineering, and Urdu as subjects for Honors.

Research.

Research work is a necessary feature of a University, and although the large amount of teaching work they have to do makes it difficult for the members of the University staff to do as much in this direction as they would like, a considerable amount of research work has been done and found its way into the pages of important scientific periodicals.

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Two junior members of the University qualified in this way during the year for the degree of Doctor of Science in zoology and chemistry, respectively. In order to offer larger facilities for research work, the system of studentships has been changed into one of fellowships. The emoluments of a Fellowship have been fixed at Rs. 100 so that there might be no temptation to drop research in the middle of the tenure to secure a job.

Extension Lectures.

The University continued to do a large amount of work in the field of popular culture. Extension lectures were delivered as usual and the system of culture weeks conducted by the University Teachers' Association received a further development: two centres, *viz.*, T.-Narsipur and Anekal, were selected for continuous work during a considerable part of the year. Lectures were delivered during a number of successive week-ends and they were later published as booklets. It is proposed to extend this system of lectures at the same centre and to publish their substance in popular language. These activities are expected to help in making Kannada an ever-increasingly effective medium for scientific and literary work for the benefit not only of a select class but also of the community at large.

This work is supported by the important scheme of the English-Kannada Dictionary under progress, the preparation of which has been accelerated by the appointment during the year of an assistant to the general editor.

A survey of Kannada dialects has also been started on a small scale, and as funds permit and suitable workers become available, it is proposed to extend the scheme, so that after the field has been carefully surveyed, a dialects map of Karnataka may be prepared, as well as a dialects dictionary of Kannada.

Physical Culture.

The physical well-being of the students continued to engage the attention of the University and to the number of existing canteens was added the one opened at the Medical School. It is proposed to open another at the Maharani's Women's College. His Highness the Chancellor, who was pleased to make a donation towards the funds of the Central College canteen during 1937-38, was graciously pleased to make similar donations to the canteens at Mysore. The existence of the canteens made it possible to consider compulsory physical education as a practical proposition, and the Senate accordingly resolved to introduce physical education on a compulsory basis, starting with the Junior Intermediate Class of 1939-40. The scheme has been put into operation both at Bangalore and Mysore.

The long-standing desire of the University to impart military training to its students was at last realised, and Government sanctioned during the year the scheme proposed by the University. Arrangements have been made for training 100 students each at Mysore and Bangalore. It is hoped in the coming years to make provision for the training of larger numbers.

University Settlement.

For some years past the students of the University have been interesting themselves in social work both at University headquarters and in the villages nearby, but this branch of University activity was till now carried out under the auspices of the University Unions. As it was considered desirable to give it greater prominence and provide larger facilities for the work, a special officer, Mr. P. S. Wright, a member of the Oxford Fellowship at Cawnpore, was appointed. It is proposed to establish a University Settlement immediately at Bangalore and very soon at Mysore.

Public Works.

We spent on irrigation a sum of Rs. 12,77,790 last year, bringing 1,155 acres under cultivation, as against the proposed *atchkat* of 2,202 acres under the Thumbadi tank, the Dalavoy tank in Chiknaikanahalli taluk and the Kamasamudram tank.

The main channel of the Marconahalli reservoir was completed up to a distance

of ten lakhs. Even during the construction period it was possible to supply water to an extent of 2,000 acres, and if the lake receives a sufficient supply of water during the north-east monsoon, it may be possible to open the main channel for irrigation during the current year. The entire work is expected to be completed by June 1940, much earlier than anticipated.

The bund, sluices, weir and right and left bank channels of the Anjanapur reservoir have all been completed. The area originally proposed to be irrigated by the reservoir was 9,302 acres, but it is now found that an extent of 10,036 acres can be irrigated. During the year under review, an extent of 6,455 acres and 8 guntas was supplied with water. On the whole, 21 villages with about 75 tanks and *kattes* would derive benefit from the project both by way of irrigation and as a source of water supply for men and cattle.

I may add, in passing, that several other irrigation works of magnitude, such as (1) the new tank across the Vadli stream near Hairege in the Hunsur taluk, (2) the masonry *anicut* across the Bhrugu river near Halasur, (3) the left bank channel from Kudlur new *anicut*, and (4) the improvement and extension of Sri Rama Devaru South Channel, were all in progress during the year.

It will be recalled that in October 1937 heavy rain caused damage to 21 irrigation works with an *atchkat* of 8,064 acres and yielding a revenue of about Rs. 38,500. An outlay of Rs. 2,28,574 was incurred during the year on these works and water has been stored in almost all the tanks.

New Irrigation Projects.

Four new irrigation works, which will irrigate 6,300 acres, were started during the year. The Byramangala project, estimated to cost Rs. 9,38,700, is expected to store 2,858 units of water and to irrigate an extent of 4,000 acres. This project will help to solve the economic problem of several villages in the Closepet and Kankanhalli taluks.

Work on the other three tanks—the Alahalli tank to cost Rs. 2,20,000 that across the Bandihalla to cost Rs. 2,50,000, and the Markandeya tank, to cost Rs. 3,10,000—was also in progress. The outlay on these three tanks has been transferred to the Irrigation Development Fund which was constituted in the current year with an initial contribution of Rs. 28 lakhs and with the further provision that the amount realised every year in the shape of contribution and water-rate from the irrigation works so far financed from the revenue account should also be credited to it.

Tank Restoration.

The problem of taking up a larger number of major and minor tanks for restoration is under the consideration of Government, and as a first step they have approved of a triennial programme of tank restoration for the years 1939–40, 1940–41 and 1941–42. To implement the programme and keep ready a sufficient number of projects for sanction and execution, a special staff has been sanctioned for each of the divisions for the preparation of estimates.

The total number of minor tanks restored during the year was 48, thus bringing the total number of restored minor tanks at the end of 1938–39 to 5,088, out of 20,803 existing minor tanks. The minor tank restoration grant has also been increased from Rs. 1·25 lakhs to Rs. 2·00 lakhs.

The girder bridge over the Vedavathi at Kellodu in Chitaldrug District, estimated to cost Rs. 83,800, and the girder bridge over the Vedavathi at Allapur on the Chellakere-Pavagada road are nearing completion.

A five-year programme for opening new roads and a triennial programme for the construction of bridges in the Kadur and Chitaldrug districts were sanctioned. These programmes are financed from the interest accrued on the accumulated Fund and the annual realisations during the period.

Krishnaraja Sagar.

The extent of land under irrigation below the Irwin Canal and its distributaries rose from 48,025 to 51,630

acres. The extension of the 24th mile distributary of the Irwin Canal, which is practically complete, will supply water to an extent of 3,000 acres in the Seringapatam and French Rocks talúks.

The second section of the Cauvery branch from 13¼ to 25 miles has been completed and a fresh area of about 5,000 acres has been brought under irrigation. The Lokasara branch of the Irwin Canal, whose construction is nearing completion, will bring in an additional extent of 3,000 acres under irrigation in the Maddur taluk. The Shimsha branch has been excavated to a length of eighteen miles and the Kowdle sub-branch to two miles. With the completion of the tunnel works in this section shortly, an extent of about 5,000 acres will be brought under irrigation in the Nagamangala taluk.

Irwin Canal water was supplied to the tanks in the Malavalli taluk which had almost dried up, thus saving crops on 1,657 acres. Works at an estimated cost of Rs. 45,000 for feeding the Kirugaval and other tanks are in progress.

On roads in Irwin Canal area we spent Rs. 1,80,000. For new projects, designed to irrigate 28,210 acres, a sum of nearly Rs. 13 lakhs has been sanctioned. Three schemes costing about Rs. 62 lakhs, one for the first stage of the Kabini reservoir and the two others for irrigating 3,842 acres and 2,000 acres, respectively, are under consideration.

Municipalities.

A scheme for the electrification of Tiptur town was sanctioned at an estimated cost of Rs. 2,39,680, while electrification was completed in Davangere, Hunsur, Krishnarajanagar and T.-Narsipur.

Six new medical institutions came into existence in the year, *viz.*, the Tuberculosis Hospital at Davangere, the Devanhalli Maternity Home, the Yelahanka Local Fund Dispensary, the Maternity Ward at Koppa, the Maternity Home at Sira, and the Veterinary Dispensary at Saligrama. At Kadur, Saligrama, Tarikere, Chamarajanagar and Mandya, maternity homes and hospitals are rapidly nearing completion. Private philanthropy has liberally come to the aid of medical relief everywhere.

District Boards.

Although their finances were unsatisfactory many District Boards showed commendable activity in the construction of bridges and roads out of the railway cess funds. His Highness the Maharaja opened the Sri Jayachamarajendra Bridge over the Shimsha at Halagur. The five-year programme of bridges and roads undertaken by the Chitaldrug District Board is being put through.

Out of Rs. 1 lakh sanctioned to the Chitaldrug District Board for well works, 53 wells have been completed at a cost of Rs. 37,051.

A new dispensary was opened at Bilichodu in the Chitaldrug district. Subsidised types of dispensaries were opened at Belakvadi, Malavalli taluk, and at Yegati and Singatagere in Kadur taluk. The opening of tow more—one at Saswehalli and another at Udri in Shimoga district—was sanctioned.

Village Panchayats.

The scheme for intensive rural uplift was in operation in 234 selected villages in the State. A survey of the work done in these villages provides a most encouraging proof of rural awakening. The construction of model houses and provision of wells for Adikarnatakas, the demand for improved *charkas* manufactured by the Government Electric Factory, the opening of maternity wards, the installation of radios in parks, the establishment of rural dispensaries with subsidised medical practitioners, the laying of pipe lines for the supply of water from perennial sources, voluntary subscription to the Red Cross Fund—all these indicate that our villages are on the onward march.

As many as forty-two muzrai institutions and two village forests are under the management of the village panchayats in the Chitaldrug district alone. Six village panchayats came forward to levy optional lighting taxes. Goat-keeping and rearing has been introduced as an experimental measure in some

panchayats in the Shimoga district to encourage the use of goat's milk.

As the panchayats are taking keen interest in the planting of economic and fruit trees, Government have empowered the Revenue Commissioner to grant land, not exceeding six acres of dry and two acres of wet, to the deserving panchayats, free of cost, for the purpose.

Inclusive of Government grants, over Rs. 6 lakhs were spent on public works, such as, drainage schemes, approach roads, village panchayat halls, drinking water wells, etc., during the year. A staff of one sub-overseer and a peon has been sanctioned for each revenue subdivision as a basic scale for attending both to the village panchayat and the well works.

The number of village panchayats in the State stood at 11,843 as in the previous year. The tax demand, inclusive of the arrears, amounted to Rs. 55,07,674, out of which the collections and remissions amounted to Rs. 9,26,388, as against Rs. 13,33,119 in the previous year. The balance of Rs. 45,81,286 is still to be collected and it is hoped that this will be done soon through the agency of the revenue officers. The panchayats had a closing cash balance of Rs. 27,03,615, as against Rs. 32,21,531 in 1937–38. The allotment during the year for the village panchayats was Rs. 1,10,000.

Finance.

In my address to this House in May last, I indicated that the revenue transactions of the year 1938–39 were likely to result in a deficit of Rs. 7·33 lakhs, but I am now glad to inform you that the net result has shown a definite improvement. From the preliminary accounts now received from the Comptroller, it is observed that an improvement in the total revenue to the extent of about Rs. 7 lakhs is expected, while the expenditure actuals show a saving of about Rs. 1 lakh. The net result of the Revenue Account is thus likely to disclose a surplus of about half a lakh of rupees. I may explain that this net improvement is mainly attributable to the increase in revenue under the heads Sandal Oil, Income-tax, Railways and Chamaraj Sagar Water Works.

Public Security Act.

You will doubtless remember that several members of the Assembly made a representation to Government at the last session that the Criminal Law Amendment Act in force in British India might be introduced into the State in order to deal with subversive activities. Government did not then think that there was any necessity to introduce such a measure but stated that they would have no hesitation in doing so if circumstances rendered it necessary. The Viduraswatha Disturbances Enquiry Committee also suggested the advisability of amending the criminal law on similar lines.

Government hoped that such a necessity would never arise in our State, but, unfortunately, a section of the public have thought it proper to resort to open defiance of law and order in pursuance of their political activities, resulting even in danger to life and property. Government have had, therefore, regretfully to enact the Public Security Act, which has been welcomed by the people in general as evidence of their determination to deal firmly with all manifestations of lawlessness. This Act is nothing new. It is based on the Criminal Law Amendment Act and the Seditious Meetings Act, both of which have been in force for some years in British India. Government do not intend to exercise their powers under the Act except when it becomes absolutely necessary to put down organized lawlessness.

Let me suggest to our misguided patriots that constitutional reform—if that is what they are aiming at—is best effected by reason, not by rowdyism.

Plea for a World Federal Union.

Mr. Chamberlain has stated that the Allies desire to set up after the war a stable international organization that will secure the just and peaceful settlement of all disputes between States and so prevent war. We shall all agree, I am sure, that these aims deserve the enthusiastic support of all Indians. A general determination to support the

cause of civilisation with India's full strength in the present conflict would greatly strengthen our spirit of national unity. In that spirit we ought to be able to compose our internal differences sufficiently to agree generally on the kind of Federal Government that we desire for India. If we can do that India will, I believe, certainly achieve Dominion Status when the Allies have won the war, and be able to take her place as an equal member and a strong pillar of support in a new democratic world order.

The British Government have not yet defined even the outlines of the new world order which they envisage, and they can hardly be expected to do so at this stage. Both the expert publicists and the general public of the various countries must first study and discuss the matter as thoroughly as possible, and arrive at some consensus of opinion as to the manner in which the world should be rebuilt. When public opinion has crystallised along definite lines, the Allied Governments will no doubt put forward a detailed scheme.

Just as India needs a Federal Government to deal with common affairs that concern the whole country, so does the world need a Federal World Government to deal with world affairs that concern mankind as a whole. The League of Nations has failed to bring the nations under an effective rule of law, but we must preserve our faith in the high ideal of a world commonwealth comprising the whole brotherhood of man and search for a more promising line of advance towards it. The federation of the whole world at a single step is, of course, impossible. But a number of distinguished thinkers and writers are now advocating, as the next step in the evolution of a world commonwealth, the formation of a Federal Union of peace-loving, democratic countries after the war. They offer good reasons for thinking that such a union would be a great success capable of ending the epoch of world wars and that it would develop in time into an all-inclusive Federal Union of the World. The proposal is a startling one, which runs counter to very deep-seated national prejudices. It deserves, however, our most careful consideration and, unless we can find a more promising plan, our fullest support, if we are really anxious to see a better world order established in our life-time.

In conclusion, I invite you to join with me in the earnest prayer that the war may reach a speedy and satisfactory termination so that Humanity may not be hampered in that march to the unknown which we call Progress.

Speeches on the Address.

Rao Sahib M. RAMASWAMI spoke as follows :—

Sir, it has been our privilege and pleasure to listen to your valuable address year after year. Your addresses have been revealing to us how the State has been engaging itself in carrying out agricultural, industrial and irrigational works to the lasting benefit of the State. Our great rejoicing is that His Highness the Maharaja, who has been known as a progressive Ruler not only in India but also outside this country, has been enjoying splendid health, and secondly, that he is maintaining the level of the administration so nicely and to the satisfaction of the subjects of the State. It gives us additional pleasure that our Prince Jayachamaraja Wadiyar, who had gone to Europe, has returned to us and is in our mist during these Dasara Festivities. It also gives us greater pleasure to hear that His Highness the Yuvaraja who has gone to Europe for a change has been enjoying excellent health there.

Sir, against the wishes of the entire world, the War has come. Great Britain, which has established Democracy in every nook and corner of the world, has again taken up the cause of defending the freedom of smaller nations. We are sure that Great Britain is going to win in the end. It is well-known how Great Britain has established a unique institution in the world, known as the Commonwealth of Nations, which is an association of free peoples. As some Press Agencies and other international people are announcing, earlier or later, we are sure that India is going to become a member of that great institution.

There has been some discontent among certain sections of the people, as you have observed. These gentlemen are not unaware of the fact that the Government had appointed a Constitutional Reforms Committee and that their recommendations are being anxiously considered by the Government for announcement. There is no reason for any subject of His Highness the Maharaja to think that the Reforms which are going to be conferred on the people will be inadequate. His Highness the late Sri Chamaraja Wadiyar of blessed memory, half a century back, established this Assembly, unasked by our parents. It has also been the hereditary practice of the Maharajas of Mysore to confer constitutional reforms now and then, whenever the time is opportune. It is the loyal duty of every Mysorean, under such circumstances, to create a peaceful atmosphere and gain the confidence of His Highness the Maharaja and His Government to secure greater freedom from time to time.

Sir, yours has been a difficult task all these years, as changes have been occurring almost every day. Actions and reactions in the neighbouring territories and in other countries have got their own effect here also. You have been an apostle of peace and sympathy.

We are sure that your sympathy and rare statesmanship will bring contentment and permanent prosperity to the State.

Lokasevaniratha Bale SIDDALINGASETTY said that the members of the House were very happy to listen to the speech of the Dewan. They were also happy that Her Highness the Yuvarani, Prince Jayachamaraja Wadiyar and other members of the party who had gone to Europe had returned safe after a brief sojourn. It was the fervent desire of every Mysorean that the present European war should come to a successful termination very soon and that peace should reign in the world, that His Highness the Yuvaraja of Mysore should safely return home, and that Congressmen in the State should approach the Government in a spirit of compromise and co-operation, accepting in the meanwhile the reforms that His Highness the Maharaja would graciously announce.

Speeches on the Address over; **Mr. C. K. VENKATRAMAIYA**, Kannada Translator to Government, read the Kannada version of the Dewan's Address.

Swearing in of New Members.

The following members made the prescribed Oath or Affirmation of Allegiance to His Highness the Maharaja and took their seats :—

1. Mr. Bhupalam Nanjundiah, Hosadurga.
2. „ C. V. Raman, Chamarajanagar.
3. „ Venkataramane Gowda, Hunsur Taluk.
4. „ H. M. Mallikarjunappa, Tarikere Taluk.
5. „ G. Kanchappa, Chiknaikanhalli Taluk.
6. „ H. L. Nanjundappa, Chiknaikanhalli Taluk.
7. „ Bette Gowda, Kunigal Taluk.
8. „ H. Husein Ali Beig, Holenarsipur.
9. „ B. S. Kasturi, Belur.
10. „ Patel Halappa, Shimoga Taluk.
11. „ H. S. Suryanarayana Rao, Channapatna Taluk.
12. „ M. Borappa, Channapatna Taluk.
13. „ Saheb Pasha Sab, Mulbagal Town.
14. „ C. Nanjundiah *alias* Nanjundappa, Chintamani.
15. „ Siddappa, Ragibommanahalli, Malvalli Taluk.

QUESTIONS AND ANSWERS.

Revision of Scales of Pay.

Q.—3. **Mr. Y. V. MUNISWAMI IYE** (Channapatna Municipality).—

Will the Government be pleased to state :—

(*a*) the date on which the scale of pay of the officials of the taluk and the other offices in the State was prepared

(*b*) whether they are aware that the Government officials in the State cannot make both ends meet out of the pay they get, under the existing circumstances ?

4.—The CHIEF SECRETARY to GOVERNMENT (Rajaseva-prasakta. B. T. Kesavaiengar).—

(a) The revision of the scale of pay of the entire Revenue Establishment sanctioned in Government Orders No. R. 1305-14—L.R. 105-28-104, dated 10th/13th August 1929, and R. 2422-32—L.R. 105-28-121, dated 27th October 1930, was given effect to from 1st July 1930.

(b) No.

Mr. Y. V. MUNISWAMI IYER.—With reference to answer to sub-section (b), are not the Government aware that the conditions have considerably changed since 1930?

Mr. B. T. KESAVAIENGAR.—In 1929, a special committee examined the question of salaries of these establishments and it was as a result of their recommendation that Government revised the salaries of the subordinate staff, fixing the minimum at Rs. 25 and the maximum at Rs. 40 in a sliding scale. So far as the conditions at present are concerned, such as prices of food grains and other necessities of life, they are much better than what they were in 1930.

Mr. Y. V. MUNISWAMI IYER.—May I respectfully represent that it is necessary that salaries should be raised?

Mr. B. T. KESAVAIENGAR.—If it is only the Revenue Department, Government might consider the suggestion. But the question refers to the establishments of all departments, and Government would have to examine the financial implications before making any statement by way of reply.

Mr. B. L. BYANNA.—Are the Government not aware that to the extent that the prospects of the taluk establishments are improved, the raiyat also would stand to benefit?

Mr. B. T. KESAVAIENGAR.—There is necessarily no connection between the two.

Mr. B. L. BYANNA.—The last revision was effected full 10 years ago. Is it not time that another revision was thought of in order that there might be no stagnation of officials on the same pay?

Mr. B. T. KESAVAIENGAR.—There is no question of stagnation. Originally there were no grades at all and appointments were made on fixed salaries only. With a view to throw open better prospects to the officials, not only was the initial pay enhanced, but grades were also created. That was certainly a great improvement over the original state of affairs.

Mr. B. L. BYANNA.—Are not the Government aware that most of these poor people will have contracted debts and with the small pay they get, they cannot maintain their families and also discharge their debts?

Mr. B. T. KESAVAIENGAR.—For that matter, other people also may have their liabilities. Besides, indebtedness is not a feature peculiar to Government servants.

Mr. B. L. BYANNA.—I am referring to officials getting very small salaries. Is it possible at all for them to maintain

their families and also discharge their liabilities? Are they really not undergoing special hardship?

Mr. B. T. KESAVAIENGAR.—Government are not aware of any special hardships to which any particular classes of officials are subjected. Poverty and riches are after all relative terms. I, however, grant that the smaller officials are generally very poor.

Mr. B. L. BYANNA.—Can officials who are agonised by poverty have the necessary peace of mind for efficiently discharging their duties?

Mr. B. T. KESAVAIENGAR.—Many poor officials are efficient.

Mr. S. RAMAPPA.—If at least the hours of work are defined and adhered to, the difficulties of the poorer officials would be mitigated. Their condition now is most pitiable.

Mr. B. T. KESAVAIENGAR.—That is one aspect of the matter. I would refer the member to another aspect of it, raised in Question No. 49 (*re.* Holidays).

Mr. T. SYED KHAJA PEERAN SAHIB.—Under the existing scale, it takes about 15 long years for a junior official to reach his maximum of Rs. 40. Why not raise the annual increment from Re. 1 to Rs. 2?

Mr. B. T. KESAVAIENGAR.—The question may be considered, but I cannot answer it off hand.

Mr. C. V. RAMAN.—Will the Government consider the question of revising the pay of at least those who are drawing less than Rs. 50?

Mr. B. T. KESAVAIENGAR.—It is all a question of funds.

Mr. MIR MAHOMED HUSSEIN.—Are the Government aware that the taluk officials have several methods of supplementing their income?

Mr. B. T. KESAVAIENGAR.—Government do not believe so.

Mr. KHAJI SYED YUSUF SAHIB.—Once a man is appointed in a place and works satisfactorily, why not give him annual increments even before he is confirmed?

Mr. B. T. KESAVAIENGAR.—If he is not confirmed, he cannot expect to draw increments. But after he is confirmed in a permanent place, even if he is acting in another temporary vacancy, he will get his usual increment.

Mr. KHAJI SYED YUSUF SAHIB.—My suggestion is that whether permanent or not, officials must be given increments.

Mr. B. T. KESAVAIENGAR.—Government will consider the suggestion.

Mr. Ballam SRINIVASA RAO.—It is very necessary that salaries of primary school masters also should be enhanced. Their pay is sometimes less than that of peons in certain offices.

Working Hours of Taluk Offices.

Q—4. Messrs. M. B. GURULINGIAH and S. L. MUDDUBASAVIAH (Closepet Taluk).—

Will the Government be pleased to state:—

(*a*) whether there is a rule fixing the hours of work for officials in the Taluk Offices;

(*b*) whether the rule is being strictly followed;

(*c*) whether they know that these officials work from 7 A.M. to 8 P.M.?

A.—The CHIEF SECRETARY to GOVERNMENT (Rajasevaprasakta B. T. Kesavaiengar):—

(*a*) Yes.

(*b*) Yes.

(*c*) No.

Mr. M. B. GURULINGIAH.—Are the Government aware that the officials are also denied the benefit of holidays?

Mr. B. T. KESAVAIENGAR.—If they work regularly during the working days, there will be no need for them to work on holidays.

Mr. M. B. GURULINGIAH.—They work hard and yet they have to attend office on holidays also. In this view, why not at least improve their pay?

Mr. B. T. KESAVAIENGAR.—There is no connection between pay and hours of work.

Mr. M. B. GURULINGIAH.—Will Government be pleased either to issue instructions that the officials must be asked to work only between 11 A.M. and 5 P.M. or to enhance the pay of the poor officials?

Mr. B. T. KESAVAIENGAR.—If they have to attend office on holidays also, it only shows the necessity for adding to the establishment, more than for raising the pay.

Mr. M. B. GURULINGIAH.—If the Government feel that the staff is inadequate, why not increase it?

Mr. B. T. KESAVAIENGAR.—If there is necessity for it, Government will consider that question.

Mr. M. B. GURULINGIAH.—Do the Government think that the taluk establishments are not working satisfactorily?

Mr. B. T. KESAVAIENGAR.—That may also be one of the probabilities.

Mr. M. B. GURULINGIAH.—If they are working efficiently and satisfactorily, why do the higher officials insist upon their working overtime?

Mr. B. T. KESAVAIENGAR.—Government have received no complaints that effect.

Mr. JATHARE NAIK.—How are hours of work in the various Gov ment Offices the concern of this Hou

Mr. SEETHARAMIAH.—Will not general public he put to great diffic if the working hours ina Tluk Offices defined?

Mr. B. T. KESAVAIENGAR.—Bu is the intention of Government t work should be attended to during prescribed hours.

Mr. B. L. BYANNA.—But if t have to work overtime, will the Gov ment give them overtime allowance

Mr. B. T. KESAVAIENGAR.— possible. The establishment of e

office is fixed with reference to the amount of work to be transacted by it and if that amount of work is not completed, the officials will have to work beyond the prescribed hours.

Supply of Text-books in time.

Q.—5. **Mr. S. L. MUDDUBASAVIAH** (Closepet Taluk).—

Will the Government be pleased to state :—

(*a*) whether the text-books prescribed for study in the middle schools are being supplied in time ;

(*b*) whether it has come to their notice that the students and their guardians have been running up and down the book depots daily for the purchase of books ;

(*c*) the number of students studying for the upper primary and the middle school examinations during the last year (particulars to be furnished) ;

(*d*) the number of Kannada text-books printed during last year, the number of students studying during the current year and the books supplied for the current year ?

A.—**The SECRETARY to GOVERNMENT, GENERAL DEPARTMENT (Mr. Appaji Gowda).**—

(*a*) Being done as far as possible.

(*b*) The answer is in the negative.

(*c*) Information is not readily available.

(*d*) The number of Kannada text-books printed and supplied in 1938-39 and 1939-40 is 18,000 and 19,000, respectively. Information is not readily available regarding the number of students studying during the current year.

Mr. S. L. MUDDUBASAVIAH.—Has it come to the notice of the Government that for several months after the schools re-opened, text-books were not available for children ?

Mr. J. APPAJI GOWDA.—There will be no difficulty here after. As far as possible, we will see that supplies are made in time.

Mr. S. L. MUDDUBASAVIAH.—What is the difficulty in the way of furnishing an answer to sub-section (*c*) of the question ?

Mr. J. APPAJI GOWDA.—The information has just now been received. The number of students studying in the fourth year class was 9638 in 1938.

Mr. S. L. MUDDUBASAVIAH.—Were no complaints received about the non-availability of text-books last year ?

Mr. J. APPAJI GOWDA.—Not by Government.

Mr. S. L. MUDDUBASAVIAH.—Not even by the Education Department ?

Mr. J. APPAJI GOWDA.—They might have received

Mr. S. L. MUDDUBASAVIAH.—How long did it take to print the number of books referred to in (*d*) and when were they placed on the market ?

Mr. J. APPAJI GOWDA.—Notice.

The SECOND MEMBER (Mr. K. V. Anantaraman).—The Government Press is making special arrangements so that, in future, books can be printed in the Government Press itself and there will be no room for complaints.

Mr. M. SUBBIAH.—Is it not possible to make the required quantities of supplies direct to headmasters of schools ?

Mr. K. V. ANANTARAMAN.—When

the books are printed in the Government Press, direct supplies can be arranged for.

Mr. Y. V. MUNISWAMI IYER.—Instead of entrusting sale of books to private depots, would it not be better to send them to the headmasters who may arrange for their sale to the concerned boys ?

Mr. K. V. ANANTARAMAN.—Government will note the member's suggestion.

Mr. S. L. MUDDUBASAVIAH.—Are the Government aware that private book-sellers are not selling the text-books unless notes thereto are also purchased, and that the dealers are also charging their own rates for the books ?

Mr. K. V. ANANTARAMAN.—We shall see that such things do not happen in future.

Reduction of Electric Power Charges in respect of Flour Mills.

Q.—11. **Mr. N. SONNAPPA** (Chikballapur Taluk).—

Will the Government be pleased to state :—

(*a*) whether it has come to their notice that the Electrical Department is levying at the rate of 9 pies per unit for the power supplied to rice mills and at one anna per unit for that supplied to flour mills ;

(*b*) whether it is a fact that one anna per unit is being levied in rural parts and taluk headquarters for rice mills as well as flour mills ;

(*c*) whether the Electrical Department have permitted the erection of additional flour mills after a single person has executed guarantee in respect of his flour mills ?

A.—**The SECRETARY to GOVERNMENT, ELECTRICAL DEPARTMENT (Sir Harold N. Colam).**—

(*a*) Yes.

(*b*) No. The rate for other than flour mills up to 20 H.P. is 9 pies.

(*c*) Yes, as the applicant agreed to the conditions prescribed by the department.

Mr. N. SONNAPPA.—It is difficult to reconcile the answers to sub-sections (*a*) and (*b*). Why should different rates be charged in different localities ? And in one and the same place, is it possible for a poor man to instal two motors one for a rice mill and another for a flour mill ?

The FIRST MEMBER (Rajamantrapravina N. Madhava Rau).—If the member takes this matter to the notice of the Secretary to Government, Electrical Department, he will examine the question

Mr. L. VEMA REDDY.—In the rural parts, electric power is required by flour mills for converting ragi into flour, more than by rice mills. As such, is it not reasonable that the power charges in the case of flour mills ought to be lower than in the case of rice mills ?

Mr. N. MADHAVA RAU.—As I already said, the matter will be examined if it is taken to the notice of the department.

Messrs. Rayara KEMPANNA and JATHARE NAIK.—After the advent of these mills, people in the villages are developing a tendency for leading easy lives. So either the mills should be closed down or the power charges should be sufficiently high, so that the poorer people will not resort to them as a matter of course.

Water Supply Charges in Kolar Gold Field Area.

Q.—12. Messrs. R. RANGIAH and M. MADDIAH (K. G. F Sanitary Board Area).—

Will the Government be pleased to state—

(*a*) (i) the reason for levying a royalty of Rs. 50 for supplying water by pipes to the dwelling houses in Robertsonpet, Andersonpet and Oorgaum of Kolar Gold Fields Sanitary Board Area (ii) whether this rule is existing in cities or towns elsewhere in the State;

(*b*) (i) the quantity of supply of water allowed free of charge to each house in the abovenamed places and the rate of tax per 1,000 gallons (ii) the minium quantity of water allowed free of charge in the cities of Mysore and Bangalore and its rate per 1,000 gallons in these cities;

(*c*) the average annual return for the past 12 years from the Bethamangala water reservoir which supplies water to the K. G. F. Sanitary Board Area?

A.—The SECRETARY to GOVERNMENT, LAW DEPARTMENT (Mr. C. Subrahmanya Aiyar).—

(*a*) (i) The royalty of Rs. 50 per connection is being levied in Robertsonpet and Andersonpet as per resolutions of the Sanitary Board Kolar Gold Fields duly approved by Government. The water supply to Oorgaum village was recently worked out and there are as yet no house connections. The Royalty is levied by the Board as they bore the initial outlay. (ii) No.

(*b*) (i) No quantity is allowed free of charge to any house in the above places. The charge for the water supplied is 15 annas per 1,000 gallons. (ii) The minium quantity allowed free of charge is 3,000 gallons per month in Bangalore and Mysore Cities to domestic connections. Excess over this is charged for at Re. 1-0-0 per 1,000 gallons in Bangalore City, and 12 annas per 1,000 gallons in Mysore City.

(*c*) This question is not clear.

Mr. Ballam SRINIVASA RAO.—For he water supplied to consumers in Bangalore and Mysore Cities, are the Government levying from them anything over and above the charges collected by the Municipalities?

Mr. C. SUBRAHMANYA AIYAR.—The City and the K. G. F. areas do not stand on the same footing. The reservoirs from which the City areas get their supplies were constructed at the cost of the Government. But in the case of the Bethamangala Tank, the cost of the reservoir was borne by the Board.

Mr. Ballam SRINIVASA RAO.—Are they not deriving an income of Rs. 1·5 lakhs on the investment? What is the justification for levying anything further by way of royalty?

Mr. C. SUBRAHMANYA AIYAR.—Notice

Mr. Ballam SRINIVASA RAO.—Why is it that in the Sanitary Board area, no free allowance of water is allowed, as in the Cities of Bangalore and Mysore?

Mr. C. SUBRAHMANAYA AIYAR.—Conditions are not the same in the two cases. The Bathamangala Water Works were mainly intended for the Mines. But as the supply is extended, some

special charge is levied and the receipts in the shape of royalty also are taken away by the Board. Government are not getting any part of those receipts.

Mr. Ballam SRINIVASA RAO.—Why should they insist on a deposit of Rs. 50 for private connections?

Mr. C. SUBRAHMANYA AIYAR.—For future expenditure.

Mr. Ballam SRINIVASA RAO.—When the Sanitary Board is well off without it, why should it charge a royalty?

Mr. C. SUBRAHMANYA AIYAR.—That is one of its sources of revenue. It may not be as well off without the royalty.

Mr. Ballam SRINIVASA RAO.—When in the Cities of Bangalore and Mysore, a free allowance of 3,000 gallons of water is given for each house connection and no royalty is charged, what is the justification for treating the Sanitary Board area differently?

Mr. C. SUBRAHMANYA AIYAR.—If the consumption of water in the Sanitary Board area becomes heavy, the supply of water to the Mines, which was the main object with which the Bethamangala Tank was constructed, might fall short of the actual requirements.

Mr. Ballam SRINIVASA RAO.—Is it not possible to show at least one of the two concessions to the Sanitary Boad area, *viz.*, either to waive the royalty or to give free allowance as in the Cities of Bangalore and Mysore?

Mr. C. SUBRAHMANYA AIYAR.—Not possible because to that extent, the Sanitary Board loses revenue.

Mr. Ballam SRINIVASA RAO.—We pay house and other taxes just as people in other municipalities do. So we are entitled to similar amenities. We must either be given free allowance or the royalty should be done away with. The Government must kindly take up the matter with the Board authorities since our opinion does not weigh much with them.

The SECOND MEMBER (Mr. K. V. Anantaraman).—We shall examine the matter.

Mr. B. L. BYANNA.—It is stated in the answer that a free allowance of 3,000 gallons is allowed for each installation in Bangalore City. For how long is this in force?

Mr. C. SUBRAHMANYA AIYAR.—For some time past.

Mr. B. L. BYANNA.—What is the reason for reducing the free allowance from 4,000 gallons to 3,000 gallons in Bangalore City?

Mr. C. SUBRAHMANYA AIYAR.—The member is already aware of the reasons.

Mr. B. L. BYANNA.—Are the Government not aware that the Bangalore City Municipality pays for every gallon of water supplied to it?

Mr. C. SUBRAHMANYA AIYAR.—It is not paying for all the water that is being supplied, I believe.

Mr. B. L. BYANNA.—What is the cost price for every 1,000 gallons of water?

Mr. C. SUBRAHMANYA AIYAR.—Notice.

Mr. B. L. BYANNA.—Was it fair for the Government to have compelled the Municipality to reduce the free supply to 3,000 gallons?

The FIRST MEMBER (Rajamantra-pravina N. Madhava Rau).—Water supply in Bangalore City is quite different fro m the present question which relates to water supply to Gold Fields.

Mr. B. L. BYANNA.—I only wish to urge the Government should take a favourable view of the matter. As regards Mysore City Municipality, is it not a fact that the free allowance is 5,000 gallons even now and not 3,000 as stated in the answer?

Mr. C. SUBRAHMANYA AIYAR.—It has been ordered that it should be reduced to 3,000 gallons there also.

Mr. Rayara KEMPANNA.—Why is it that in the Kolar Gold Field area, 15 annas is charged for 1,000 gallons of water as against 12 annas in Mysore City?

Mr. N. MADHAVA RAU.—The cost of pumping, power expenses, etc., have all been taken into consideration in fixing the rates.

Mr. RANGIAH.—By waiving the royalty, will not the Board be inducing more and more of private people to go in for house connections?

Mr. C. SUBRAHMANYA AIYAR.—One cannot be so sure about that. People who want the connection, will pay Rs. 50 for it.

Mr. RANGIAH.—According as the number of house connections increases, the quantity of water drawn from the public taps becomes less. So, why not private people be induced to go in for installations by doing away with the royalty?

Mr. C. SUBRAHMANYA AIYAR.—On the other hand, the total consumption of water will be more, and it is difficult to say if the Sanitary Board will be able to meet the demand.

Mr. MADDIAH.—Why not show to the people of the Sanitary Board area at least the concession of free allowance as in the Cities of Bangalore and Mysore?

Mr. C. SUBRAHMANYA AIYAR.—Government give water to the Sanitary Board and they sell it to the consumers. The income goes to the Sanitary Board. If the Sanitary Board pass a resolution in favour of free supply of water, Government may be willing to consider it.

GOVERNMENT BUSINESS—BILLS.

8. General Principles of the Bill for the Registration of Foreigners.

The SECRETARY to GOVERNMENT LAW DEPARTMENT (Mr. C. Subrahmanya Aiyar) explained the general principles of the bill as follows :—

For the possession at all times of complete information as to the number and whereabouts of foreigners in India, it was found by the Government of India that the existing provisions of law were inadequate. Such information was considered necessary for the purposes of national defence as well as for replying to enquiries regarding such foreigners received from time to time from their relatives. The Registration of Foreigners Act was, accordingly, passed early this year.

It was further considered desirable that, in order that complete information might be available in regard to all foreigners wherever present or resident in India, Indian States should also apply to the State Territory Acts similar to the British Indian measure.

As the matter was urgent, an emergency Act was passed in June. This Act expires in December 1939, and it is considered desirable to have a permanent measure on the Statute Book.

The bill is a short one, its provisions being confined to the creation of the legal machinery necessary for maintaining a register of foreigners who are at any time present in Mysore and keeping that register up to date.

Mr. B. L. BYANNA supported the measure.

Mr. Rayara KEMPANNA enquired whether non-Mysoreans were considered as "foreigners" for purposes of this Act.

Mr. C. SUBRAHMANYA AIYAR replied that according to Section 2 of the Act, British and British Indian subjects are not foreigners but that all others were.

Mr. C. V. RAMAN enquired under what category the foreigners who had acquired citizenship would come.

Mr. C. SUBRAHMANYA AIYAR stated that if they were naturalised, they would cease to be foreigners.

To a further enquiry from Mr. C. V. Raman as to whether there was any time limit for acquiring citizenship in the case of a foreigner, **Mr. SUBRAHMANYA AIYAR** replied that there was no Naturalisation Act in force in the State, but in the Acts in force in British India, a time limit of five years had been fixed.

Mr. J ASWATHANARAYANA RAO thought that a separate establishment would be necessary for registering foreigners and asked what it would cost.

Mr. SUBRAHMANAYA AIYAR replied that as there were only about 300 to 400 foreigners in the State, no special establishment was necessary to register them.

The general principles of the measure were put to vote and passed unanimously.

9. General Principles of the Bill further to amend the Mysore District Boards Act, 1926.

The SECRETARY to GOVERNMENT LAW DEPARTMENT (Mr. C. Subrahmanya Aiyar) explained the general principles of the bill as follows :—

Section 68 (4) of the Mysore District Boards Act, 1926, as it stands at present permits the utilisation of the Railway cess funds for the construction of new roads and bridges or for improvement works to existing roads and bridges but not for ordinary repairs of roads.

The District Boards of Kolar, Tumkur, Chitaldrug and Kadur have been permitted to utilise the Railway cess funds for the opening of new roads with the result that a large number of new roads have been constructed by them. It is represented that their normal funds are not sufficient to meet the annual maintenance charges of these roads and that permission may be accorded to utilise the Railway cess funds for the annual repairs of roads also and that the District Boards Act may be suitably amended to secure this object, It is, therefore, proposed to amend Section 68 (4) of the Act suitably.

The financial condition of most of the District Boards is not satisfactory and the Committee appointed by Government to examine their finances has recommended that some of the District Boards should levy a special cess under Section 69 of the Mysore District Boards Act. As the District Boards are not agreeable to impose the levy and there is no other source by which they can improve their finance, it is proposed that Government should take power to require them to impose the levy by including in the District Boards Act a section similar to Section 86 of the Mysore City Municipalities Act.

The proposed bill secures both these objects.

Mr. H. KRISHNAMURTHY ACHAR asked whether the special power which the Government were going to take would be exercised to compel District Boards to levy the special cess only in cases where no railway cess was being levied or in all cases.

The PRESIDENT stated that the special cess would have to be levied in all cases.

Mr. M. SUBBIAH had no objection to Section 68 (4) being amended to permit of the utilisation of railway cess funds for annual repairs to roads. As regards amendment of Section 69, however, he feared that it would be far-reaching in its consequences. What was proposed in the amendment was, by introducing a section similar to Section 86 of the Mysore City Municipalities Act, to over-ride the decision of the District Boards and in a way to compel them to levy a special cess much against their will. The members of the District Boards were being elected by people in the district and they were in direct touch with the electors whose affairs they were expected to administer. When such elected representatives resolved that the special cess should not be levied, the speaker wondered how the Government could force the District Boards to levy it. And supposing the special cess was levied, the burden would fall on the poor raiyats. They were already paying the local cess, education cess, railway cess and other cesses. Over and above all

these, if they should be forced to yet another cess, their position wo become intolerable. So, even if District Boards themselves had ta the initiative and resolved upon levy the special cess, Government shc have refused their consent to it. any rate, the best thing for the Gove ment to do would be to leave the ma to the District Boards themselves decide. Only at the previous sess of the Assembly, the Dewan had b pleased to say that the raiyat co bear no more taxation. In the face that statement and so soon after it made, it was surprising that Government were seeking to take po to force the District Boards to lev special cess. For these reasons he not in favour of the amendment Section 69 as proposed.

Mr. L. VEMA. REDDY said that e as matters stood, the raiyats v repeatedly representing that the l revenue was high and should reduced. As a result of these re sentations, Government had appoi a Committee to examine the question. That Committee, as also many others, was unanimously of opinion that the raiyat stood in need of urgent relief, more especially in the Kolar District. At such a time, there would be no justification in the Government taking power to compel District Boards to levy an additional cess. He would appeal to the Government not to expose themselves to blame by taking and exercising such power, but leave the matter to be decided by the District Boards themselves.

The SECOND MEMBER (Mr. K. V. Anantaraman) observed that the financial condition of the District Boards was such that they were not in a position even to pay salaries to their establishments and that this was why Government had to take action to improve matters.

Mr. L. VEMA REDDY said that if the District Boards were so impoverished, they might as well be abolished altogether.

MANY MEMBERS expressed themselves in opposition to this proposal.

Continuing **Mr. L. VEMA REDDY** said that if the District Boards should continue to function, they should be directed to suitably readjust their income and expenditure. But in either case, he felt that there would be no justification in burdening the raiyat with fresh taxes. District Boards, like Municipalities and other bodies including the Government, existed for the good of the raiyat and not to crush him.

Mr. Y. V. MUNISWAMI IYER doubted whether the Government had consulted any of the District Boards in making the proposals under discussion. If they had not, but made the proposals on their own initiative, the speaker felt that the Boards might well be abolished and their management entrusted to the Deputy Commissioners as originally.

Mr. B. L. BYANNA said that at a time when non-officials were anxious to shoulder greater responsibilities one would hardly expect any right-thinking

member to suggest the re-transfer of District Board administration to the Deputy Commissioners. It was only a few years since the privilege of electing their own non-official Presidents was extended to the District Boards and it was not yet time for all the non-officials to give tangible evidence of their capacity or even to prove to the world at large that they were worthy of the trust and confidence reposed in them. They were trying to do their best and add to the reputation of the State. It could hardly be a sound proposition, at such a time, to suggest that all District Boards should be abolished and their administration vested in the Deputy Commissioners. As regards levying a special cess, the member reminded the House that the District Board Finance Committee which was appointed by the Government and which included members from some of the District Boards, had recommended the amendment of Section 69 with a wish to imposing a special cess, as a means of augmenting the resources of the District Boards. It was a fact that most of the District Boards were not well off and were not in a position to discharge all their obligations and optional duties. The position was so bad that only the previous session, a resolution to the effect that these Boards should be altogether abolished had been tabled. Luckily enough, that resolution was lost and it was clear that public opinion was in favour of District Boards being kept on. But if they should function efficiently, the Government should find out ways and means of improving their income. Levying this special cess was one of such ways. By levying the cess and making the District Board administration more efficient, the non-officials would be paying the way for further privileges. It should be remembered that after all, the income from the special levy would be utilised for the benefit of only those who paid it.

For these reasons, the member supported the amendment.

Mr. D. VENKATARAMANAPAA said that every one was agreed about the necessity to amend Section 68 (4) of the District Boards Act, so that the railway cess funds could be utilised for annual repairs of roads; and that the opposition was directed only against the proposed amendment to Section 69. It was natural for people to oppose any and every proposal to add to the existing taxation. But it had to be remembered that Government were going to enforce the power of imposing a special cess only in the case of those District Boards whose finances were unsatisfactory, so that the District Boards would be enabled to function better. He therefore supported the principles of the bill under discussion.

Mr. K. L. NANJAPPA NADIG pointed out that the two previous speakers who had supported the bill were residents of urban areas and had no first-hand knowledge of rural conditions. People in rural areas were unable to pay even the existing taxes and adding to their burden even to a small extent would mean nothing but misery to them. At the same time, it was true that some of the district boards were not well off and could not maintain their roads well. In such cases, he said that the remedy lay in the Government meeting the cost of repairs out of their petrol tax revenue. But if this was not possible and additional taxation was going to be insisted upon, then the speaker would suggest that the district boards themselves be abolished and taluk boards be revived instead, the maintenance of all provincial and district fund roads being taken over by the Government. In any case he member was strongly opposed to the levy of the special cess in question.

The PRESIDENT observed that feeling in the British Indian provinces seemed to be in favour of abolition of district boards and allocation of their resources among the various village panchayats.

Mr. K. L. NANJAPPA NADIG and Mr. C. V. RAMAN however adhered to their opinion as already expressed.

Mr. Rayara KEMPANNA endorsed the view of the British Indian legislatures, as mentioned by the President, and represented that the raiyats were already paying several kinds of taxes and cesses but that they were not receiving an adequate return from them. Facilities like education, communication, etc., were badly lacking in the villages. He therefore supported the suggestion in favour of abolishing district boards and re-allocating the resources among village panchayats. It this was done and even if only 25 per cent of the revenues collected in each area was utilised for the benefit of that area, the progress of all the villages could be assured at least to some extent.

Mr. H. K. MADIAH reminded the House that he had all along been advocating the abolition of district boards. They had, he said, been given a fair enough trial all these years but had proved wanting in several respects.

Even if the special cess under discussion was levied, he had his own misgivings about the ability of district boards to maintain the roads properly. He was convinced that the generality of the raiyats would prefer rural administration being entrusted to officials rather than to non-official agencies. If this was done and a special cess was levied as proposed, the Government could make use of the collections for the satisfactory maintenance of roads.

Mr. G. MALLANNA explained that the railway cess was intended for extending railway facilities in the districts and it was to be abolished when no longer necessary. Because in certain districts no new works were taken up, funds began to accumulate, with the result that it was now proposed to utilise them for annual repairs of roads. If the division of funds was agreed to, he was afraid that the cess would become a permanent feature and it would become difficult to abolish it later on even if any district board wanted to do so. It was true that most district boards were not well off, but the reason for it lay in the fact that Government were insisting on compulsory contributions from these bodies for various extraneous purposes like maintenance of dispensaries, maintenance of trunk roads, etc. At that rate, the District Boards could never be well off even after levying the cess in question. The object of proposing the levy of a special cess was to improve the resources of district boards. This, he thought, should be done not by adding to their existing burdens but by equalizing taxation as between the urban and the rural parts and giving relief to the latter to the extent possible.

Mr. Khaji SYED YUSUFF SAHIB explained that it was the duty of every district board to provide certain necessary amenities to the people within their jurisdiction. And for doing so, no doubt, it needed funds. But forgetting its duties and responsibilities, almost every district board was found to be developing a tendsncy to over-estimate its income and send up schemes to Government for sanction on the basis of inflated receipts. Naturally therefore before the year was out, it would find itself unable to make both ends meet. In such cases, the Government should refuse sanction to schemes which were beyond the means of the district boards concerned. If this was done, the boards themselves would be compelled to devise ways and means of improving their finances and balancing their budgets. But this question of improving the resources was essentially one which should be left to the local bodies concerned. The speaker did not agree to the principle of Government themselves compelling them to levy special cesses. On these grounds, he opposed the bill. He also added that people in rural parts were feeling that most of the taxes they paid were benefiting only the urban population and that for this reason, they were not willing to subject themselves to any further taxation.

Mr. B. L. HUTCHAPYA represented that due to a series of bad years, the villagers were finding it exceedingly difficult to pay even the existing panchayat taxes, so that panchayat taxes had fallen into heavy arrears. Even during the current year, the monsoon had appeared rather late so that there was little hope of a good crop being realized. In such circumstances, it was necessary for the Government to see that the tax burden of the villagers was not added to. On the other hand, he said they must give liberal grants to local bodies.

Mr. SHER KHAN said that he had been a member of the Shimoga District Board for the past 15 years and that he could say from personal experience that the financial position of district boards was far from satisfactory; so much so, every time any improvement was suggested by the members at board meetings, the plea of lack of funds was being put forward. It was a fact that the boards were not able to maintain even the existing roads in good condition, much less to open new roads. And even without taking up such original works, they were not able to balance their annual budgets. The remedy for the existing state of affairs lay, the member thought, either in abolishing the district boards altogether or in the Government finding some new resources to enable the boards to function efficiently. The former was not a desirable step. Thus, he had no doubt that the bill under discussion deserved to be welcomed as it would enable the district boards to improve their resources.

Continuing, the member stated that he did not agree with the remark of some of the previous speakers that the Government were not rendering adequate financial assistance to the district boards. Only recently the Government had shown several concessions to them by way of reducing (1) tools and plant charges from 18 per cent to 12 per cent, (2) giving special grants from the irrigation cess collections for road repairs, (3) opening more and more primary schools, and (4) undertaking the maintenance of provincial roads lying within the limits of local bodies. For all these concessions the boards had every reason to be grateful to the Government.

Mr. J. ASWATHANARAYANA RAO who spoke next, referred to the proposed amendment to Section 69 and explained that the Kolar District Board had been urging on the Government for several years past the question of abolishing the railway cess. The Government had replied on previous occasions that the cess collections could be applied for other purposes like education, etc. In that hope the people were continuing to pay the cess. But, now in accordance with the amendment under discussion, the railway cess as such would become a permanent levy and all possibilities of its abolition would be shut out. Secondly, the District Board of Kolar had spent about Rs. 90,000 on laying out new roads. This expenditure had been objected to by the Government as being opposed to rules and it was ordered that the amount should be paid back from normal revenues. Recently, the Board had come to know that the Government had

[illegible] the amount should be recouped out of the annual income from the railway. The result was that the Board would have no funds at all either for road maintenance or for taking up any new schemes during the next few years.

As regards the next amendment to Section 86, the member pointed out that several of the earlier speakers had opposed it in spite of the observation of the District Finance Committee that most of these local bodies were incurring expenditure far in excess of their income and that it was incumbent upon them to devise fresh sources of revenue. Some of the members had gone the length of advocating the abolition of district boards altogether. Personally, he was inclined to support this view. If this view was accepted and district boards were replaced by taluk boards, the functions at present discharded by the former could well be distributed as between the taluk boards and the village panchayats.

There was no consistency or continuity of policy on the part of district boards at present. and because of that, the interests of the villages were suffering. Besides, the Government could not go on financing these bodies year after year. At the same time. the rural population could not bear any additional taxation. Considering all these factors, he said that the remedy lay in the abolition of district boards and substituting less costly organizations in the form of taluk boards. In this view, he urged that the bill need not be pressed by the Government.

Mr. K. MARULAPPA had no objection to the abolition of district boards, if at least in that way, the hard-hit raiyats could be saved from further taxation such as that proposed in the bill under discussion.

Mr. Bhupalam CHANDRASEKHARAIYA reminded the House that only at the previous session of the Assembly the question of replacing the district boards by taluk boards had come up for serious consideration and that it was thrown out by a small majority. No doubt, in certain respects, taluk boards would be more useful to the people than the district boards. At the same time, he could not minimise the importance of district boards in dealing with matters of common concern to the district as a whole. For example, the construction of a bridge over a river was a matter which no taluk board could undertake and successfully carry out. But a district board could well do it if only each of the concerned taluk boards was prepared to contribute a quota of the cost. District Boards were thus necessary organizations. If, however, they were abolished, the member suggested the organization, as an experimental measure, of fresh board for each district consisting of all the presidents of taluk boards and a few district officers specially for dealing with larger questions and questions of common concern to the district as a whole.

In regard to the proposed levy of a special cess, he said that it would not be supported by anybody and that it might not be prudent for the Government to press the matter at a time like the present.

Mr. S. RAMAPPA remarked that there was no necessity for the amending bill, even if it aimed at improving the financial resources of district boards. This object, he said, could be achieved better by giving effect to all the recommendations of the District Board Finance Committee. The Government had passed orders only on a few of their recommendations, leaving aside suggestions like transfering of travellers' bungalows, raising contributions from municipalities on account of the maintenance of district board dispensaries from one-third to one-half, reducing the tools and plant charges, waiving the levy of 15 per cent on account of collections made by the Government on behalf of the district boards, instead of merely reducing it to 10 per cent, etc. If all those recommendations were agreed to by the Government, the financial position of district boards would improve and their budgets could be easily balanced. He therefore urged on the Government to consider that question sympathetically instead of taking power to impose additional taxation straightway.

In this connection, the member brought to notice that the total mileage of the roads which district boards were at present expected to maintain—which after all was an optional duty—was too much for them. The Kolar District Board, for example, had to spend about Rs. 50,000 on this item alone. Consequently, they had not enough money for spending on obligatory items. He therefore prayed that Government might bear some reasonable portion of the cost of road maintenance. Finally, he suggested that the Village Panchayat Act might be so amended as to make it obligatory on the part of each panchayat to contribute about 5 per cent of its income towards the district board funds. This would also tend to improve the district board finances.

As regards abolition of district boards, the member did not favour the proposal as it was very necessary in his opinion to have a common organization for considering questions of common concern to the district as a whole.

Mr. V. VENKATASWAMI CHETTY did not agree with those who contended that the present time was not opportune for the levy of any additional cess. So long as there was reason to support such a step, the authorities need not hesitate to impose additional taxation whenever necessary. So far as the Kolar District went, people were already paying the railway cess and the special levy proposed to be levied would only be in lieu thereof, so that no hardship would be caused to any one as a result of the amendment under discussion being passed.

The SECOND MEMBER (Mr. K. V. Anantaraman) observed that in some districts, railway cess was not being levied at present, and members objecting to the proposed amendment were apparently thinking of such cases.

Mr. V VENKATASWAMI CHETTY said that when Government had passed orders to the effect that even in cases where railway cess was already being collected, it might be abolished if the levy of a special cess was agreed to, it naturally implied that any district would be subject to the levy of only one of the two cesses under reference, so that nobody could have any grievance.

Mr. K. V. ANANTARAMAN pointed out that the Tumkur District Board, for example, had been permitted to levy a special cess in lieu of railway cess.

Messrs. B. SITHARAMIAH and **H. KRISHNAMURTHY ACHAR** were of opinion that railway cess must be abolished without any special cess taking its place. In this view, they strongly opposed the proposed amendment.

Mr. MAYI GOWDA said that Government should consider the economic condition of the people before thinking of imposing additional taxation on them. They were faced with severe economic depression and as such no new levy should be agreed to.

As regards the financial position of District Boards, he admitted that no doubt the funds at their disposal were too meagre to admit of all the demands made on them being satisfied. But replacing them by taluk boards would in no wise improve matters. The best way of improving the situation would be by giving some special financial aid to the district boards. At present these bodies had been entrusted with many heavy responsibilities, but the Government were not contributing any considerable part of the cost. Even for execution of bigger projects like construction of bridges, they were sanctioning only a half of the cost. Seeing that the bulk of the revenues realised within the limits of district boards also was going to the coffers of the State and seeing also that the duties and responsibilities of the Boards needed large funds for their fulfilment, the member requested that Government must contribute two-thirds of the cost of all public works, leaving only the balance to be met by the local bodies themselves. The Government should also exercise strict supervision over the expenditure programme of these District Boards so that the budgets of the Boards would be balanced in all cases.

Mr. S. C. MALLIAH said that there would be no opposition to the first portion of the bill, *viz.*, taking power to utilise the railway cess collections for ordinary repairs of roads. He, however, had strong objection to the second part, *viz.*, vesting the Government with the power to require district boards to impose a special cess. The speaker wondered why the Government should take such an unpopular step without even consulting the District Boards.

Mr. K. V. ANANTARAMAN explained that it had to be done in view of the unsatisfactory position of the finances

of several of the boards. Some of them were heavily indebted to the extent of Rs. 60,000 and Rs. 70,000 which they could not repay. Retrenchment of expenditure was found to be impossible. Government had been sanctioning fresh over-drafts now and then. Such a state of affairs could not long be tolerated in the interests of the district boards themselves.

Mr. S. C. MALLIAH said that in such bad cases, it would be better to leave the district boards free to levy whatever cesses they might wish to, holding them responsible for balancing their budgets. He strongly felt that Government should not compel them to levy new taxes.

Mr. K. V. ANANTARAMAN explained that if, for example, a district board was unable to disburse its establishment charges or to keep the hospitals functioning, no Government could sit with folded hands. Government would only be too glad if their interference was not called for in such matters.

Mr. S. C. MALLIAH said that there were elected Presidents and elected members to look after the affairs of all the boards; and if they failed to make proper use of their opportunities and fell short of expectations, the district boards concerned might as well be superseded. But the Government need not however expose themselves to the odium of compulsorily levying additional taxes.

Mr. K. V. ANANTARAMAN observed that funds would be required for meeting the necessary charges even after a district board was superseded.

Mr. S. C. MALLIAH replied that the nature of the case would then be quite different. But, so long as a district board was functioning as a local self government institution, he would certainly object to two agencies being at work, *viz.*, Government levying the cess and the local body making the collection. Secondly, the point had been clearly made out that the people were not in a position to pay and the present was not the proper time for the Government to impose additional burdens. Even if such imposition was found inevitable, the proper way of doing it would be for the Government to consult the district boards as to how they proposed to meet the situation, make them propose the cess and then sanction it.

Mr. S. VENKATASWAMI GOWDA also opposed the principle in the bill relating to the levy of a special cess for road repairs. The average rate of a dry assessment in the Kolar District had been fixed as high as Rs. 2-12-0. When they were all along praying for its reduction, Government were proposing to add to the burden of the raiyat. He pointed out that the present Dewan, during all the 13 years of his regime, had earned the reputation of having converted even barren tracts into fertile lands. He was responsible for several irrigation projects which had brought under cultivation;

50,000 acres under the Irwin Canal area;
10,000 " " Marconahalli Project;
7,000 " " Anjanapur Reservoir;
9,000 " " Vani Vilas Sagara;
6,000 " " Bhadra Right Channel;
3,000 " " Kamasamudra.

The speaker's point in detailing these items was that a Government which could find the money for undertaking such huge projects should not plead lack of funds for such a necessary item as the development of rural communications. If the improvement of roads should imply the imposition of extra taxation, the rural population would much rather go without the roads themselves, for so miserable was the condition of the people. Partly for this very reason and partly on account of the failure of crops, Government had recently sanctioned remission of assessments in the Kolar District. So soon after that, to impose an additional cess would be anything but just. At the same time, the fact remained that the district boards needed immediate attention. The member therefore prayed that Government might kindly sanction a special grant for road works so that the existing difficulty might be got over.

Mr. DONDE GOWDA was also strongly opposed to the levy of any special cess. He stated that the question of levying a special cess had come up before the Hassan District Board recently and that the board which did not agree to the levy, however, undertook to make alternative proposals for finding funds. He had no doubt that other district boards also would do likewise.

Mr. K. V. ANANTARAMAN, speaking on behalf of Government, explained that there were two points involved in the bill under reference. The first was that in the case of works constructed with the help of railway cess collections, their maintenance also might have a claim on the same funds. About that, he would only say that there were several works which had been executed with the help of railway cess collections and if these were not allowed to utilise the cess for maintenance purposes, the works themselves would deteriorate. So, at the instance of several district boards, in order to empower Government to divert the cess collections, this amendment had been brought up, and he was glad that several members had spoken in favour of it.

Mr. G. MALLANNA enquired whether the railway cess would not become a permanent feature if once the income from it was allowed to be used for maintenance purposes. All these years, the people were paying it in the belief that it was only a temporary levy.

Mr. K. V. ANANTARAMAN explained that for that very reason, several of the works were not at present being maintained properly, but that hereafter the people could be sure that the works would be maintained satisfactorily. What was more, some of the local bodies themselves wanted this fund to be diverted for such a purpose.

Referring to the second point in the bill, he said that the financial condition of some of the district boards was deplorable. And, in order to devise ways and means of improving the position, a special committee had been constituted by the Government. The proposal to levy a special cess was based on the recommendation of that committee. But as the district boards somehow did not agree to the levy, the Government had to take power to enforce it. This provision in the bill had to be applied particularly to two district boards which had a liability of about a lakh of rupees each and which were not in a position to meet the liability. In spite of such a helpless position, they had launched on costly programmes like digging wells, opening dispensaries, establishing schools, starting maternity homes, appointing midwives, etc., without any regard to the means at their disposal. As against that, certain district board were unable to take up very necessary items of work. The people of Kikkeri in Krishnarajapet Taluk, for example, had long been agitating for a dispensary; and though the Government were prepared to pay their share of cost, the district board itself was not in a position to pay its quota. No doubt, it was easy to supersede a district board on the ground of its helpless state. But no good would accrue from it. If at all, the liability of Government would increase and yet nobody would profit by it.

Proceeding, he referred to the probable unpreparedness on the part of some of the previous speakers to court the unpopularity of supporting the proposal to levy an additional cess. He explained, for the information of such members, that this levy would be enforced only in the case of those particular district boards the finances of which could not be adjusted in any other way. But generally speaking, he assured the House that the mere passing of the amending bill in question would not necessarily mean that the special cess was going to be imposed in all the places or that it would be done all at once.

Some members had appealed for some special concession to be extended in favour of the district boards by way, for example, of enhancing the existing quota of Government for the maintenance of dispensaries and transferring the management of travellers' bungalows

to the charge of the boards concerned. These questions were already under examination, and members might rest assured that Government would view them with sympathy. But the main point for consideration at present was that the financial position of district boards in certain cases stood in need of improvement, and Government felt called upon to take steps calculated to help these boards to function better to least in the future. It was only at achieve this end that the amendment had been proposed. It was certainly not the object of the Government to prejudice the interests of local self-government institutions. This was why Government had no hesitation in giving the House the assurance that they would very carefully consider in which cases and to what extent the new provision should be enforced.

Continuing, **Mr. ANANTARAMAN** referred to the statement made by Mr. Donde Gowda that the Hassan District Board had already considered this question and expressed itself against it, but that that Board was prepared to offer certain alternative suggestions calculated to improve the board's finances. Some of the members from Kolar and Tumkur did not want the railway cess, but they were prepared for the levy of a special cess in lieu thereof. If any such proposal in a concrete form were made by the district boards, Government would give their sympathetic consideration to them. But if the liabilities of district boards remained undischarged and ways and means were not devised to balance the budgets, Government would necessarily have to step in and take special measures such as the one proposed in the bill.

In conclusion, **the MEMBER of COUNCIL** observed that the power which Government proposed to take by means of the amendment under discussion was in no way larger than some other powers which Government already possessed, as for example the power to supersede the district boards under certain circumstances.

Messrs. Y. V. MUNISWAMI IYER and **HUSSEIN ALI BEIG** suggested that consideration of the bill might be deferred for the present and brought up in the following year.

Mr. D. VENKATARAMANAPPA, on the other hand, urged that it be put to vote, so that all the discussion which had so far taken place might not be a waste.

The bill was put to vote and declared lost, only 13 voting for and the rest of the House against.

The House then adjourned for lunch and re-assembled at 4 p. m.

III. General Principles of the Bill to amend the Mysore Town Municipalities Act, 1933.

The SECRETARY to GOVERNMENT, LAW DEPARTMENT (Mr. C. Subrahmanya Aiyar) explained the general principles of the bill as follows:—

Section 85 of the Mysore Town Municipalities Act, 1933, is somewhat ambiguous and appears to admit of the interpretation that possession of an article liable to octroi is punishable if octroi is not paid on it, whether or not the article is one for the sale of which a licence is required to be obtained.

The object of this section is to punish as offences.—

(*a*) the selling without a licence, and

(*b*) the possession without payment of octroi,

of articles which are liable to octroi and for the sale of which a licence is required to be obtained.

It is, therefore, proposed to amend the section to make the meaning clear.

Mr. B. CHAMMIYA spoke in favour of the general principles and said that the amendment was very necessary in the interests of the revenue of many of the Town Municipalities.

Mr. Ballam SRINIVASA RAO also supported the general principles of the bill, but he represented that it was desirable to exempt, from the payment of octroi, articles brought within the municipality by the growers themselves for their own consumption.

Mr. C. SUBRAHMANYA AIYAR stated that in the case of such articles refunds might be claimed.

Mr. Ballam SRINIVASA RAO said that such a procedure would involve unnecessary inconvenience to the parties and that therefore exemption should be specifically provided for. He also added that even in cases where articles were first brought into municipalities as for consumption by the producers themselves, but subsequently sold, exemption should similarly be provided for.

Mr. C. SUBRAHMANYA AIYAR replied that in such cases also exemption might be secured, but that the amendment under discussion related not to all cases but only to those articles which were specifically declared as being liable to octroi.

Mr. S. SITHARAMIAH suggested that a similar amendment should be effected to the Minor Municipalities Act also.

Messrs. K. VENKATARAMIAH and **MAYI GOWDA** supported this view.

The SECOND MEMBER of COUNCIL (Mr. K. V. Anantaraman) stated that that question might be separately considered.

Mr. D. VENKATARAMANAPPA was of the opinion that the City Municipalities Act also might be amended on lines similar to those under discussion.

The PRESIDENT replied that the suggestion might be considered.

The general principles of the bill were then put to vote and passed unanimously.

IV. General Principles of the Bill further to amend the Mysore Ctiy Municipalities Act, 1933.

The SECRETARY to GOVERNMENT, LAW DEPARTMENT (Mr. C. Subrahmanya Aiyar) explained the general principles of the bill as follows :—

The existing wording of Section 90 of the Mysore City Municipalities Act, 1933, appears to be ambiguous and to admit of the interpretation that the possession of an article liable to octroi on which octroi has not been paid is punishable even though a licence may not be required for its sale.

The object of the section is to punish as offences the selling without a licence of any article which is liable to octroi and for the sale of which a licence is required to be obtained, and also the possession without payment of octroi of any article which is liable to octroi and for the sale of which a licence is required.

In order to make this section clear, it is proposed to amend the section.

The general principles of the bill were adopted without discussion.

General Principles of the Bill further to amend the Mysore Income-Tax Act, 1923.

The SECRETARY to GOVERNMENT, FINANCIAL DEPARTMENT (Mr. A. N. Raghavachar) explained the general principles of the bill as follows:—

At present, the rate of income-tax in respect of individuals, unregistered firms, etc., getting an income of Rs. 50,000 or upwards, and in the case of companies and registered firms in receipt of income not below Rs. 2,400, is 18 pies in the rupee. In British India the corresponding rates are two annas and one pie in the case of individuals, etc., with a total income of Rs. 40,000 or upwards but less than Rs. 1,00,000 and two annas and two pies in the rupee in the case of individuals, etc., whose total income is Rs. 1,00,000 or upwards and in the case of companies and registered firms whatever their total income.

The anticipations on which this year's budget was based are likely to be upset by the war and it has become necessary to supplement the income by increasing the rates of taxation in regard to certain classes of income. It is accordingly proposed to enhance the rates of income in the case of individuals, etc., getting a total income of Rs. 75,000 or upwards, and in the case of companies and registered firms in receipt of income of not less than Rs. 2,400 from 18 pies to 24 pies in the rupee. Even this enhanced rate compares favourably with the corresponding rates of British India as can be seen from the figures given above.

The propsed bill gives effect to the increased rates of the income-tax coming into force from the 1st July 1940

Mr. Shampur PAPANNA supported the amendment in general, but he was not in favour of unregistered companies doing small scale business also being subject to the enhanced rates. He also suggested that the point must be clarified as to whether a few individuals or members of a Hindu undivided family doing business together would be treated as individuals or as an unregistered company for purposes of the proposed amendment.

Mr. C. SUBRAHMANYA AIYAR replied that the amendment under discussion related purely to revision of the rates, and not to parties subject to taxation.

Mr. Shampur PAPANNA stated that under the British Indian Act unregistered firms had been exempted in certain cases and that the same concession should be extended to similar firms in Mysore also.

Mr. C. SUBRAHMANYA AIYAR replied that the limit of Rs. 50,000 would refer only to firms and that the rates at present prevailing would continue to apply in the case of individual partners of unregistered companies earning profits not exceeding Rs. 2,400.

Mr. M. SUBBIAH agreed that this should be so. He added that the number of small joint stock companies doing business in Mysore was very large and that enhancing the rate of

tax from 18 to 24 pies would cause hardship to all such companies.

Mr. C. SUBRAHMANYA AIYAR explained that the procedure would be the same for registered firms as well as partners of unregistered firms, but as regards the latter he said that they would have the advantage of obtaining refunds subsequently.

Mr. M. SUBBIAH then said that the joint stock companies referred to were at present ear-marking a very small percentage of their profits towards the reserve fund, whereas in future they would be compelled to set apart as much as 20 per cent of their profits. Consequently a good part of the profits could not be utilised for purposes like declaring dividends. If in addition to this the companies were also made to pay a very high rate of tax, he feared that a good many of such firms would have to go into liquidation.

Mr. C. SUBRAHMANYA AIYAR replied that smaller companies were obtaining refunds without any difficulty.

Mr. M. SUBBIAH feared that the same might not be possible in future.

Mr. L. VEMA REDDY observed that it was a well-known principle of taxation that all those earning large profits whether individuals or firms—ought to forego a portion of such profits for the benefit of the poorer classes. Bearing this principle in mind, he could not appreciate the view-point of members who seemed to be opposed to the amendment under discussion.

Mr. Bhupatam R. CHANDRASEKHARAIYA said that he would have no objection to the Income-tax Act being amended as proposed, provided such amendment would remain in force merely as a war time measure. But if the idea of the Government was to enhance the rates as a permanent measure, then he was afraid that he could not support the bill.

With regard to the merits of the amendment he said that even granting that this was designed to be in force only for a short time as a war time measure, the Government should bear in mind that the war had already adversly affected both firms and individual businessmen. He instanced the case of a sudden fall in the price of arecanut as soon as it was reported in the papers that a sub-marine was sighted at the Cochin harbour This was due to the fact that dealers in Cochin feared that normal business might not be carried on if the effects of the war were felt directly in India also. Such being the case, if income-tax rates also were enhanced, business firms and individual businessmen would be doubly hit.

Again, the amendment under discussion proposed to apply only one rate of tax to a very wide range of incomes from Rs. 2,400 right up to Rs. 75,000. Personally he felt that it would be more reasonable to stipulate a certain rate in the case of incomes of Rs. 10,000 or less and a higher rate for incomes exceeding Rs. 10,000.

Mr. B. L. HUTCHAPPA was of opinion that 18 pies would be too high a rate in the case of small joint stock companies which were already made to forego the benefit of 20 per cent of their profits on account of another law according to which they had to set apart the said portion of profits towards reserves.

Mr. A. N. RAGHAVACHAR informed the House that Government would consider the desirability of continuing the 18-pies rate for companies whose profits were less than Rs. 4,800.

Mr. K. LAKSHMINARAYANA RAO observed that so long as the same rate of tax was applied to a wide range of profits, the principle of super-tax would be sacrificed. In other words, he was in favour of a regular schedule of rates being defined for different grades of incomes.

The SECOND MEMBER (Mr. K. V. Anantaraman) replied that super-tax was based upon a different principle altogether. He added that in view of the discussions as above, companies and registered firms in receipt of incomes up to Rs. 4,800 would be exempted from payment of the enhanced rate of 24 pies.

The general principles of the bill were then put to vote and passed unanimously.

VI. General Principles of the Mysore Sales of Motor Spirit Taxation Bill.

The SECRETARY to GOVERNMENT, FINANCIAL DEPARTMENT (Mr. A. N. Raghavachar) explained the general principles of the Bill as follows:—

The object of this Bill is to levy a tax on all retail sales of Motor Spirit in the State. It is proposed to levy the tax on a gallonage basis at one anna per gallon or at such other rate as may be fixed by the Government by notification in the official *Gazette*. The tax need be paid only once.

Provision has been made for the compulsory registration of all dealers and retail dealers in motor spirit. No one can sell in retail motor spirit unless he is registered as a retail dealer. Monthly returns are required from the retail dealers. The tax is to be paid before the submission of the return, and evidence of payment is to accompany the return. Power has been taken to determine the tax in cases where an incorrect or incomplete return or no return is submitted In default of payment of the tax, it may be collected as an arrear of land revenue. An alternative method of collecting the tax from the wholesale dealer himself where he consents to the adoption of that course is also provided for. Dealers other than retail dealers have also to submit returns for facilitating the check of accounts of the retail dealers.

Power has been taken to inspect accounts and stocks of motor spirit. Provision is made for appeals against orders of the Deputy Commissioner or other executive officers of Government

The Bill follows in the main the Madras Sales of Motor Spirit Taxation Act, 1932.

Mr. C. V. RAMAN was of opinion that there was no need to tax motor spirit sales in Mysore. It might be that such a tax was in force in the Madras Presidency for some time past, but that might be justified in view of the prohibition campaign introduced there.

The PRESIDENT informed the House that there was no idea of giving immediate effect to the proposed bill even if it became law, and that Government were only proposing the taxation with a view to avail themselves of it if and when it became necessary for them to do so.

Mr. Y. V. MUNISWAMI IYER said that he would have no objection to the proposed taxation if Government would give him an assurance that motor spirit available in Mysore—which included a mixture of power alchohol supplied by the Mysore Sugar Distillery—would not give less mileage than pure motor spirit which was sold elsewhere.

The FIRST MEMBER (Rajamantrapravina N. Madhava Rau) replied that his own experience and that of some other motor car owners was that the mixture referred to was giving better mileage than pure petrol. It might be that in a few cases the experience of the mixture was that it gave less mileage. But the merits of the mixture could not be judged too soon. He would therefore request Mr. Y. V. Muniswami Iyer to wait for some more time.

As regards the bill under discussion, he said that, as already stated by the Dewan, President, the House might have the assurance that motor spirit was not going to be taxed immediately simply because the House have approved of the general principles of the Bill. Government would certainly study the rates and also the circumstances of the situation and avail themselves of the measure when it became quite necessary for them to do so. Government were fully aware that the price of the petrol was high enough already and it was not their intention to inflate it unnecessarily.

The general principles of the bill were then put to vote and passed unanimously.

REPRESENTATIONS.

1.—Abolition of the posts of the Deputy Director of Public Instruction and the Personal Assistant to the Deputy Commissioner, Mysore.

Messrs. B. CHAMAIAH, and SIVANANJE GOWDA (Seringapatam Taluk) **and M. SUBBIAH** (Seringapatam Municipality).

Mr. M. SUBBIAH moved the representation. In doing so, he reminded the Government of several representations having been made in the Assembly by different members to the effect that a re-distribution of districts should be effected with a view to reducing their number from 8 to 6. It was a matter for disappointment to some of the members who now found that the Government, instead of reducing the number of districts, had added one to the list by constituting Mandya into a new district. The only object underlying the representations in favour of a re-distribution of districts was retrenchment. It was with the same object that the present representation also was brought up. He thought that it was in fact unnecessary to keep on the appointments of the Deputy Director of Public Instruction and the Personal Assistant to the Deputy Commissioner at Mysore. So far as Primary Education was concerned the School Boards were already in charge of it and all the work at present entrusted to the Deputy Director of Public Instruction could as well be attended to by the District Educational Officers. If this suggestion was adopted the Deputy Director's appointment could be abolished and the resulting savings put to some better purpose. Similarly, the work which was now being attended to by the Personal Assistant to the Deputy Commissioner of Mysore could easily be attended to by the Treasury Assistant. If this was done and the appointment of Personal Assistant to the Deputy Commissioner abolished, substantial savings would accrue and there would be less need for Government to propose additional taxation such as that already discussed and approved by the Assembly in the course of the same day.

Mr. B. CHAMIAH also spoke to the same effect. He said that the three grades of education, namely, Primary, Middle and High School were being attended to respectively by Range Inspectors, District Educational Officers and Headmasters who were of the same grade as that of Educational Officers, so that there was not much need for the Deputy Director to inspect educational institutions in any great detail. As regards the Perasonal Assistant to the Deputy Commissioner at Mysore he said that there was no need for an appointment like that, more especially because the district charge had become very much lighter after the constitution of the Mandya District and also because the Deputy Commissioner at Mandya was able to carry on without a Personal Assistant.

Mr. L. VEMA REDDY spoke against the representation. He said that the Deputy Commissioner had very many kinds of work to attend to and was also expected to be out on tour frequently. Unless there was a Personal

Assistant in his office, there would be no responsible officer who could give effect to the orders passed by the Deputy Commissioner and the very large number of records going up to him and also to get ready, draft orders in accordance with the wishes and instructions of the Deputy Commissioner. Besides, signing of fair copies would itself take considerable time and if the Deputy Commissioner who might be out of station on many days in the month had himself to do this work also, disposal of cases would necessarily be delayed considerably.

The FIRST MEMBER of COUNCIL (Rajamantrapravina N. Madhava Rau) stated that the question under discussion had already been considered by Government in connection with the constitution of Mandya as a separate district, but that if at any time in future it was found that there was no need to continue the appointment of Personal Assistant to the Deputy Commissioner at Mysore, that appointment would certainly be done away with. All that he could say at present was that the suggestion contained in this representation would be taken note of by Government.

Mr. B. L. BYANNA suggested that a similar statement be made concerning the appointment of the Deputy Director of Public Instruction.

The DIRECTOR of PUBLIC INSTRUCTION in MYSORE (Mr. E. G. McAlpine) spoke as follows :—

Proposals to abolish the two posts of Deputy Directors are constantly being made in this House and elsewhere. I think that members who make proposals of this kind, do so in ignorance of the way in which the Education Department is being administered and of the part in the administration played by the Deputy Directors. The Deputy Directors have each four districts in their charge. The two Deputy Directors, between them, inspect not only High Schools but the offices of the District Educational Officers. They inspect the District Normal Schools. They inspect all commercial institutions. They inspect hostels and a variety of other institutions which total altogether—I have forgotten the exact figure—roughly 120 institutions. Now, it is quite impossible to hand over to the District Educational Officers, who already have more work than they could do, these 120 institutions. Apart from the impossibility of entrusting the work which the Deputy Directors do, to other people, from the point of view of the work involved, there is the administrative aspect which I think, perhaps, the members do not realise. If you abolish the post of Deputy Director, some one has to inspect these institutions, and in particular, some one has to inspect the High Schools. Now, it is suggested, apparently, that this inspection should be entrusted to the District Educational Officers. The District Educational Officers, in some cases, draw Rs. 200 per month, and the High School Headmasters, in some cases, draw Rs. 400. It is quite impossible to have a man on half the salary to inspect a

senior officer. There must of necessity be a class of officers between the Director and the District Educational Officers who are responsible for the very important work of inspecting High Schools and the offices of the District Educational Officers. It is quite impossible for the Director himself to undertake this work, if that is the idea in the minds of those who have moved this representation.

The Director of Public Instruction, a few years ago, had in his office a Deputy Director, a Personal Assistant, a Technical Assistant, a Lady Assistant and an Assistant for Urdu Education, —five officers—every one of whom was a gazetted officer and the senior of them was of the status of Deputy Director. One by one, these officers have been removed from my office until I have only two personal assistants left. Having no Deputy Director in my office means that the whole detailed work of my office devolves upon me. The responsibility cannot be delegated to any one of a lower status than that of Deputy Director. It is therefore, in these circumstances, out of the question for me to inspect the High Schools and the offices of the District Educational Officers. Perhaps members of this House do not realise how long it takes to inspect High Schools. When the Deputy Director goes to inspect a High School, he has to listen to the teaching of every teacher on the staff. Now, in a big High School consisting of 600 or 700 pupils, with perhaps 12 sections and 20 to 30 teachers, it takes me two weeks to inspect a school. I could not conceivably be out of my office for two whole weeks, doing nothing but inspect one High School. And if I cannot do it and I have pointed out to you how the District Educational Officers could not do it because most of them are junior in status to the High School Headmasters—then, I put it to the House that there is absolute necessity for the continuance of these officers who come between me and the District Educational Officers. They do work which no one else in the department can do. If you abolish those posts well, you must appoint some other class of officers and call them Circle Inspectors or by any other name you like to give them. But they have to be senior to the District Educational Officers and in between them and myself. I think perhaps, members realise these facts and see that it is quite impossible to abolish these two posts.

Mr. M. SUBBIAH suggested that following a recommendation of the Retrenchment Committee presided over by Rajadharmapravina K. S. Chandrasekhara Aiyar, these appointments should be abolished. If this was done, he thought that high schools might be inspected by the Director himself, the other schools being inspected by the District Educational Officers.

The SECRETARY to GOVERNMENT, GENERAL DEPARTMENT (Mr. J. Appaji Gowda) replied that things were not so easy as that. There were as many as 40 high schools, besides commercial schools, training institutions, hostels, other special institutions, and the offices of the District Educational Officers themselves. As it would take not less than a fortnight to inspect each high school, he pointed out how impracticable a suggestion it would be to expect the Director himself to inspect each and every high school.

Mr. Ballam SRINIVASA RAO opposed the representation. He could not understand how the work could get on if retrenchment was effected at a time when everybody was urging for more schools which would mean more work to the officers of the Education Department.

Mr. M. SUBBIAH however, said that able officers could easily manage the work even after the proposed retrenchments were effected.

Mr. B. L. BYANNA referred to the Director's contention that a junior District Educational Officer drawing, for instance, Rs. 200, could not possibly be deputed to inspect a high school managed by a headmaster drawing, sometimes, so much as Rs. 400. By way of reply to that, he quoted the example of auditors drawing only Rs. 40, Rs. 50 or Rs. 100 being entrusted with the work of auditing the offices of high officers drawing salaries exceeding even Rs. 1,000.

The SECOND MEMBER (Mr. K. V. Anantaraman) reminded Mr. Byanna that there was difference between audit and inspection.

Mr. BYANNA granted that it might be so. But even then he observed that it ought to be possible to effect retrenchments for the reason that without examining the question in all its aspects, two committees, *viz.*, Sir K. P. Puttanna Chetty's and Rajadharmapravina K. S. Chandrasekhara Aiyar's Committees, would not have recommended it.

Mr. Y. V. MUNISWAMI IYER who opposed the representation stated that 40 years ago the expenditure on education was only Rs. 5 lakhs, where as it was Rs. 50 lakhs at present. In a department administering such a large grant, if there was no Deputy Director, the money might not be properly spent and the tax-payer might not derive the fullest return for all the expenditure incurred by the State. If the number of officers was retrenched, he was afraid that the progress of education would be very much hampered.

Mr. S. RAMAPPA thought that the difficulty pointed out by the Director would not arise if only the seniormost

of the eligible officers were r
District Educational Officers.

Mr. L. VEMA REDDY was of the opinion that the District Educational Officers were already having very heavy work and many of the middle schools were going without inspection. He was therefore anxious that District Educational Officers should have nothing to do with inspection of high schools.

NAWAB SHER KHAN shared the views of the previous speaker.

No. 2.—Recruitment to the gazetted ranks of men belonging to Naik (Beda) community.

Mr. B. CHINNOBIAH (Minorities).

Mr. B. CHINNOBIAH represented that more men belonging to the Naik (Beda) community be recruited as Probationary Amildars and Assistant Commissioners and that such of those as were now in service be promoted to the gazetted rank.

The PRESIDENT replied that this was being done as far as possible.

No. 3.—Appointing Jyotinagara (Ganiga) candidates as probationers.

Mr. A. DASAPPA (Minorities).

Mr. A. DASAPPA represented that young men belonging to the Jyotinagara (Ganiga) community, which was a backward but loyal community, be appointed, according to their qualifications, as probationers, in the Revenue, Railway, Police and other Departments.

The PRESIDENT replied that opportunities were being given to all deserving men as far as possible.

No. 4.—Empowering Amildars to grant lands up to 5 acres on darkhast applications.

Messrs. B. L. BYANNA (Bangalore City Municipality) and **B. M. MUNISWAMAPPA** (Special In creets).

Mr. B. L. BYANNA represented that according to the present rules, Deputy Commissioners were empowered to grant lands on darkhasts. But before exercising that power, every Deputy Commissioner was consulting the concerned Amildar in each case, for the reason that the latter, being the head of the taluk, would be acquainted with the conditions of the raiyats. Without the Amildar's recommendation, no application would be disposed of. Thus a lot of delay was being caused in the disposal of darkhast applications. For this reason, the member requested that Amildars themselves be invested with power to dispose of darkhast applications up to an extent of five acres. He sincerely believed that such a procedure would make for the convenience of both the Government and the raiyats.

Mr. C. V. RAMAN supported the representation and said that a resolution to the same effect had been passed at the previous Taluk Conference held at Chamarajanagar.

Mr. M. SUBBIAH, however, was of opinion that it would not be right that such a large power should be delegated to the Amildars. Grant of lands was an important matter which should be left to higher officers of and above the status of Sub-Division Officers.

The FIRST MEMBER (Rajamantra-pravina N. Madhava Rau) replied that if the land applied for was an assessed waste, the Amildar concerned was com-

petent to dispose of the application. But if a darkhast referred to a gomal land, it would not be desirable to empower the Amildar to dispose of the application, because questions like the extent of gomal land available for grazing purposes, the extent which could be thrown open to cultivation and such other connected details would have to be examined first. In such cases, the orders of higher officers were considered necessary.

Mr. B. L. BYANNA stated that even the particulars relating to those very questions would have to be furnished only by the Amildars concerned.

Mr. N. MADHAVA RAU did not, however, believe that disposal of darkhasts would be unduly delayed simply because the higher officers were expected to pass orders.

Messrs. Y. V. MUNISWAMI IYER and MIR MAHOMED HUSSAIN thought that the existing rules were all right and needed no modification.

Mr. S. C. MALLIAH represented that many parties had applied for lands and even paid deposits to the extent of Rs. 200 in certain cases, several years ago, but that orders had not yet been passed.

The PRESIDENT suggested that specific cases of that kind, if any, might be brought to the notice of Government so that necessary action might be taken.

The House adjourned at 5 p.m. to meet again at 12 noon the following day.

of the eligible officers were posted as District Educational Officers.

Mr. L. VEMA REDDY was of the opinion that the District Educational Officers were already having very heavy work and many of the middle schools were going without inspection. He was therefore anxious that District Educational Officers should have nothing to do with inspection of high schools.

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